

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON


REVENUE ACCOUNTABILITY STATEMENTS

FOR THE YEAR ENDED

30 JUNE, 2025

KENYA REVENUE AUTHORITY

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REVENUE ACCOUNTABILITY STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

Transitional International Public Sector Accounting Standards (IPSAS) Revenue
Accountability Statements

Tulipe Ushuru Tujitegemee!

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED
30th JUNE 2025

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1. KEY INFORMATION AND MANAGEMENT

(a) Background Information

Kenya Revenue Authority (KRA) is a statutory body established by an Act of Parliament, KRA Act Cap 469 of 1995.

(b) Principal Activities

The Authority's objectives are the assessment and collection of revenue, administration, enforcement of laws relating to and accounting for revenue collected under the Act.

MISSION To enhance mobilisation of government revenue and to facilitate growth in economic activities and trade by ensuring compliance with tax and customs laws.

VISION A Globally Trusted Revenue Agency Facilitating Tax and Customs Compliance.

CORE VALUES

- Trustworthy
- Ethical
- Competent
- Helpful
- Innovative
- Simple

(c) Key Management

The Authority's day-to-day management is under the following key organs;

- Office of the Commissioner General,
- Large and Medium Taxpayer Department
- Micro and Small Taxpayer Department
- Customs & Border Control Department,
- Shared Services Department,
- Investigations and Enforcement Department,
- Business Strategy, Technology and Enterprise Modernization
- Legal and Board Services Department,
- Kenya School of Revenue Administration (KESRA)

(d) Fiduciary Management

The key management personnel who held office during the financial period ended 30th June 2025 and who had direct fiduciary responsibility were:

- Commissioner General
- Large and Medium Taxpayer
- Medium and Small Taxpayers
- Customs and Border Control
- Shared Services
- Investigations and Enforcement

Humphrey Wattanga
Rispah Simiyu
George Obell
Lillian Nyawanda
Nancy Ng'etich
David Yego

- | | |
|--|-------------------------|
| - Investigations and Enforcement | Levi Mukhweso |
| - Business Strategy, Technology and Enterprise Modernization | Alex Mwangi |
| - Legal and Board Services | Paul Matuku |
| - Kenya School of Revenue Administration (KESRA) | Fred Mugambi |
| - Finance and Budgeting Division | Josephat Omondi. |
| - Supply Chain Management Division | Benson Kiruja. |

(e) Fiduciary Oversight Arrangements

1. Human Resources Committee

The Committee:

1.1 Oversees:

- (a) Implementation of Human Resources Instruments as approved by the Board and the relevant Authorities;
- (b) First level interviews for Senior Management and recommend to the Board appropriate Candidates for final interviews;
- (c) Implementation of the Human Resources Annual Work Plan and
- (d) Implementation of the Board of Directors Performance Contract.

1.2 Reviews and recommends to the Board for approval:

- (a) Human Resources policies, Management proposals on changes in the organizational structures as provided for in the KRA Act,
- (b) Mitigation strategies to address potential workforce productivity risks and Board of Directors Performance Contract,
- (c) Quarterly Self-assessments and National Treasury Annual assessments.

1.3 Reviews and recommends to the Board on the status of:

- (a) Human Resources Demographics and Diversity,
- (b) Staff Establishments, Exits and Recruitments,
- (c) Staff Training and Capacity Development,
- (d) Employee Welfare and Discipline Management and Employee Performance Management.

2. Finance, Administration and Procurement Committee

The Committee:

2.1 Reviews and recommends to the Board for approval statutory financial statements prior to submission to statutory bodies.

2.2 Receives financial reports for consideration and recommendation to the Board for information or approval.

2.3 Provides oversight on:

- (a) Assets management for optimal utilization;
- (b) Work environment for improved staff and customer satisfaction;
- (c) Facilities management for provision and maintenance of good working tools and environment and

(d) Security and safety reports to ensure a secure and safe working environment.

2.4 Offers oversight on procurement and disposal matters.

3. Board Audit Committee

The Committee:

- 3.1 Provides assurance to the Board regarding the quality and reliability of both financial and operating information.
- 3.2 Receives reports on the audit work plan and activities of both the internal and external auditors.
- 3.3 Reviews the effectiveness of the Internal Audit function, including compliance with Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.
- 3.4 Reviews the effectiveness of the system monitoring compliance with Laws and Regulations, approved Procedures, Guidelines and Instructions of the Board of Directors and the results of Management's investigation and follow up (including disciplinary action) of any instances of non-compliance.

4. Revenue, Strategy and Technology Committee

The Committee:

- 4.1 Reviews, guides the development and monitor the implementation of corporate Strategic Plan and recommend to the Board for approval.
- 4.2 Monitors implementation of research agenda and innovation outcomes and recommend to the Board for approval.
- 4.3 Reviews and offer guidance on matters related to tax administration and collection of revenue.
- 4.4 Review and provide guidance and oversight on ICT policies and strategies and optimization of ICT in revenue collection and administration.
- 4.5 Advises the Board on the Authority's on the overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and current risk exposures of the Authority and future risk strategy.
- 4.6 Reviews the Authority's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used and approve the parameters used in these measures and the methodology adopted; the Authority's capability to identify and manage new risk types and reports on any material breaches of risk limits and the adequacy of proposed action.

(f) Headquarters

Times Tower Building,
Haile Selassie Avenue,
P.O. Box 48240 – 00100, Nairobi, Kenya.

(g) Contacts

Telephone (254) 020-310900, 2810000, 315553
Email callcentre@kra.go.ke , cic@kra.go.ke
Website www.kra.go.ke

(h) Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 600000-00200 Nairobi, Kenya.
(Central Bank of Kenya is KRA main Banker. KRA also has 36 other Agent Commercial Banks supporting Revenue collections.)

(i) Independent Auditors

Auditor General,
Office of the Auditor General,
Anniversary Towers, University Way,
P.O. Box 30084,
GOP 00100,
Nairobi, Kenya.

(j) Principal Legal Advisor

The Attorney General,
State Law Office,
Harambee Avenue,
P.O. Box 40112,
City Square 00200,
Nairobi, Kenya.

2. BOARD OF DIRECTORS

1. ANTHONY NG'ANG'A MWAURA **Independent Board Chairman**



Mr. Anthony Ng'ang'a Mwaura is the Chairman of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed as the Chairman of the Board on 17th November, 2022 for a term of three (3) years. His appointment was revoked on 20th December, 2024.

Mr. Mwaura is a dynamic professional with vast experience in Strategy, Vision & Mission Planning; Sales & Marketing Leadership; Profitability & Cost Analysis; Programs, Services & Products Billing; Debt Recovery & Cash Management; Contract Negotiations & Strategic Alliances; Finance, Budgeting & Costs Management; Public Relations & Media Affairs; Policy & Products Development; Government Regulations & Relations; Team Building & Performance Improvement and Human Resources Management. He is an experienced manager, team player and problem-solver with keen attention to customer needs and details.

Mr. Mwaura is an Educationist with vast experience in Managing Learning Institutions. He holds a Bachelor of Education Degree from the Kisii University and a Diploma in Business Management from the Kenya Institute of Management.

2. HON. NDIRITU MURIITHI **Independent Board Chairman**



Hon. Ndiritu Muriithi is the Chairman of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed as the Chairman of the Board on 20th December, 2024 for a term of three (3) years.

Hon. Ndiritu is the Managing Partner of Ecocapp Capital, and Regulatory Affairs Advisor at Metropol Corporation. He has 33 years of professional and leadership experience. He spent 14 years in the private sector, mostly with International Finance Corporation (IFC), working on financial and capital market development, both in Kenya and on the African Continent. Elected Laikipia West MP, 2007-2013, he was appointed Assistant Minister for Industrialization. He served as a Senior Advisor on Audio-Visual & Cinema for Government of Kenya, the Pan African Federation of Filmmakers and the African Union, 2015-2017,

before being elected Governor of Laikipia County, 2017-2022.

He was instrumental in the very early development of Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor program, leading non-deal roadshows to Wall Street, Singapore and South Africa. As Governor, he structured the Laikipia County Infrastructure bond, Nanyuki Bulk Water, Laikipia Beef SPV, as well as County equipment leasing. He leads Ecocapp's public finance practice, currently advising seven counties. Some of his most recent clients include the Malawi Parliament and Sri Lanka Parliament on improving oversight of public debt.

He is the co-convenor of the Africa Credit Rating Conference (<https://creditrating.africa>), that has just concluded in Nairobi at end of October. The second instalment is slated for Cape Town end of May, 2025.

He has made major contributions to economic thought, policy and leadership development. He has designed, resourced and managed implementation of financial sector improvement programs, economic stimulus initiatives, and provided technical assistance to both private companies and

governments. He is a well-known political leader both at sub-national and national level, with demonstrable, proven results creating jobs, increasing incomes and improving peoples' lives.

He has lived, studied and worked in Kenya, Canada, Australia and South Africa. In addition, he has undertaken short-term assignments in Ethiopia, Rwanda, DRC, Tanzania, Uganda, Ghana, Burkina Faso, Mali, Togo, Cote d'Ivoire, Sweden, Switzerland, France, Italy, USA, Singapore, China, India, Malawi and Sri Lanka. A public finance expert, he writes a regular column on economics, for the Saturday Nation and Business Daily.

Hon. Ndiritu is a Public and Private Finance Expert with vast experience in Public Finance Management, resource mobilization, management of public debt, project management, capital market development and leadership. He holds a Masters degree in Project Management from the University of Technology, Sydney – Australia; Executive Management Certification from the Graduate School of Business, University of Cape Town and a Bachelor of Business Administration (Economics and Finance) degree from the St. Francis Xavier University, Canada.

3. ASHIF KASSAM, OGW **Independent Director**



Mr. Ashif Kassam, OGW is a Member of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed on 12th June, 2023 for a term of three (3) years.

Mr. Kassam is the Founder and Executive Chairman of RSM Eastern Africa LLP. He is a professional accountant with a wealth of expertise and experience dating back to 1994. He specializes in audit and assurance, transaction advisory, corporate restructuring and family business consulting, helping organizations create and deliver value.

He is the Vice President of the Aga Khan Council for Kenya and Chairman of Jubilee Asset Management Limited. He has been a director of Jubilee Holding Ltd, a member of KEPSA's Governing Council and a Chair of its Finance Sector Board and Tax Taskforce, President of the Entrepreneurs Organization (EO) where he has been a member since 2014, and has served as a Director of Telkom Kenya Limited.

Mr. Kassam has represented Middle East and Africa on the International Audit and Assurance Standards Board (IAASB). He has also been a member on the ICPAK Council and has over twenty-five (25) years of service on various committees including Public Finance, Financial Services and Professional Standards.

He is a fellow member of Institute of Certified Public Accountants of Kenya (ICPAK), a fellow member of Association of Chartered Certified Accountants, UK (ACCA), a practicing member of Institute of Certified Public Accountants of Uganda (ICPAU), a member of the National Board of Accountants and Auditors in Tanzania (NBAA), and a member of Chartered Institute of Arbitrators, UK (MCI Arb).

Mr. Kassam is the Chairperson of the Revenue, Strategy and Technology Committee and a Member of the Kenya Revenue Authority Staff Pension Scheme (KRASPS) Board of Trustees and a Chair of its Investment and Finance Committee.

4. Lydia Rono
Independent Director



Ms. Lydia Rono is a Member of the Board of Directors of Kenya Revenue Authority (KRA). She was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

She has a Master of Business Administration (Finance) from the University of Nairobi and a Bachelor of Commerce from Daystar University. She is also a Certified Executive Leadership Coach and has earned multiple certifications in banking, finance, and leadership.

Professional affiliations include memberships in Kenya Institute of Bankers and Kenya Institute of Directors.

Ms. Lydia Rono is a seasoned executive with over thirty (30) years of extensive experience in the banking industry, specializing in corporate and institutional banking. She currently holds the position of Group Director, Corporate & Institutional Banking Division, at Co-operative Bank of Kenya, where she leads multiple departments including Corporate Banking, Mortgage Finance, and E-commerce, overseeing a team of over one hundred (100) professionals.

Her career is marked by her strategic leadership in enhancing operational efficiencies, increasing deposits, and spearheading sales strategies that significantly grow the bank's asset base. Her tenure as Group Director of Operations saw her leading two hundred and fifty (250) staff, digitizing operations, and maintaining strict compliance with regulatory standards. Her governance roles are equally notable.

As a Board Member and Chairperson at the Kenya Revenue Authority's Finance, Administration and Procurement Committee, she oversees governance, operational efficiency, and strategic policy implementations. She also holds significant trustee and board member roles in several Real Estate Investment Trusts and CIC Insurance Group, guiding financial and investment strategies to bolster organizational growth.

With a deep-rooted passion for leadership and development, Lydia is recognized for her ability to inspire teams, implement comprehensive strategies, and drive significant business advancements, making her a pivotal asset to the financial sector.

5. Hadi Sheikh Abdullahi
Independent Director



Mr. Hadi Sheikh Abdullahi is a Member of the Board of Directors of Kenya Revenue Authority (KRA). He was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

He holds a Bachelor of Arts Degree (Economics and Sociology) from Egerton University- Njoro, a Master of Business Administration Degree from Moi University – Eldoret and a post graduate diploma in Tax from the Kenya School of Revenue Administration (KeSRA). Furthermore, he has extensive knowledge in Tax Laws and is an expert in International/Regional Trade and Customs.

Currently, Mr. Hadi Sheikh Abdullahi is the Lead Consultant, Westminster Consulting Limited. Prior to this position, he worked at the Kenya Revenue Authority

from 1996 upto 2020 rising through the ranks to the position of Chief Manager –Customs and International Tax Policy.

At Westminster Consulting Limited, he has advocated for trade issues pertaining to regional integration; provided his expert opinion on trade remedies, trade investment schemes (Export Promotion Zones, Special Economic Zones) including guidance on mode of operationalizing SEZs; trade policy and advisory on scenario planning including analysis of fiscal; non-fiscal measures and impacts on the Harmonised Commodity Coding System (HS codes), rules of origin criteria, business trend analysis, and cross border trade, amongst others.

He is the Chairperson of the Board Audit Committee and a Member of the Human Resources Committee and the Revenue, Strategy and Technology Committee.

6. Richard Boro Ndung'u Independent Director



Mr. Richard Boro Ndung'u is a Member of the Board of Directors of the Kenya Revenue Authority (KRA). He was appointed on 15th December, 2023 for a term ending on 12th January, 2026.

He holds a Bachelor of Commerce (Accounting Option) (Honours) from the University of Nairobi.

Mr. Richard Boro Ndung'u currently serves on various private boards and in family-owned enterprises. He is also a Certified Executive Leadership Coach (CELC), and a member of the International Coaching Federation (ICF) Kenya Chapter and has successfully undergone corporate governance and leadership training undertaken by the Centre for Corporate Governance (CCG). He has previously served as the first Kenyan Chief Executive Officer & Senior Partner of KPMG Kenya & East Africa and the Head of Tax at KPMG Kenya & East Africa.

Through his then membership of the Council of the Institute of Certified Public Accountants of Kenya (ICPAK), he served as a Founder Director in the previous Kenya Anti-Corruption Commission (KACC) Advisory Board, which subsequently gave way to the current Ethics and Anti-Corruption Commission (EACC), and he also served on the Board of the then Kenya College of Accountancy, and became one of the Founding Trustees that oversaw its transition and transformation into the current KCA University.

During his long career in Tax which began in 1989, he witnessed and actively participated in some of the momentous changes that have shaped Kenya's fiscal policy, legislation, regulation, and administration, including the celebrated establishment of the KRA itself in 1995.

Mr. Richard Boro Ndung'u was awarded a Fellowship of ICPAK for his committed and distinguished service to Kenya, ICPAK and to the accountancy profession.

He is the Chairperson of the Human Resources Committee and a member of the Board Audit Committee.

7. Amolo Ng'weno
Independent Director



Ms. Amolo Ng'weno is a Member of the Board of Directors of Kenya Revenue Authority (KRA). She was appointed on 15th December, 2023 for a term ending on 12th January, 2026. She resigned from her appointment in October, 2024.

She holds a Bachelor of Arts Degree (Psychology and Social Relations) from Harvard University, Cambridge, Massachusetts (USA) and a Master of Public Administration, Economics and Public Policy from the Princeton University, Princeton, New Jersey (USA). Furthermore, she has extensive experience in public, private and philanthropic sectors, specialist in innovation and technology entrepreneurship.

Currently, she is the Chief Executive Officer, BFA Global (Nairobi, Kenya and Boston, Massachusetts) since 2018, which specializes in financial and technical innovation for a more equitable and sustainable world. Prior to becoming the Chief Executive Officer of BFA Global, she was the East Africa Regional Director from 2015 to 2017.

Ms. Amolo Ng'weno has previously held the positions of Managing Director - Digital Divide Data Kenya Limited (Kenya, Tanzania and South Africa 2011-2015), Deputy Director - Financial Services for The Poor, Bill & Melinda Gates Foundation (Seattle, USA 2006-2011), Co-Founder and Board Director - Biashara.Biz Limited (Kenya 2001-2007), Chief Operations Officer - Trust for African Rock Art (Kenya 2004-2006), Co-Founder - Africa Online (Kenya and Cote d'Ivoire 1991-2001) and as an Economist for the World Bank (Washington DC, USA 1991-1995).

She serves as the Board Chair of GoSoft Integrated Services and has previously served as a Board member, GSMA Mobile for Development Foundation; Chair, Management Committee, Guide Center (Nairobi) of Georgetown University; Trustee, National Environmental Trust Fund and Board member of the Zimele Asset Management Company Limited.

Ms. Amolo Ng'weno has authored several publications on inclusive finance and the lives of low income people, pioneering mobile money service (M-PESA) and savings groups in Kenya.

She was the Chairperson of the Kenya Revenue Authority Staff Pension Scheme (KRASPS) Board of Trustees and a Member of the Revenue, Strategy and Technology Committee.

8. Humphrey Mulongo Wattanga
Commissioner General



Mr. Humphrey Wattanga was appointed the Commissioner General of Kenya Revenue Authority (KRA) on 22nd August 2023. Prior to his appointment, he was the Managing Director of Meghraj Capital Group, the investment banking advisory arm of the Meghraj Group and an international firm founded by Meghji Pethraj Shah (MP Shah). In this role, he provided strategic leadership on mergers, acquisitions, partnerships and joint ventures, equity and debt raising and cross-border investments for markets in East Africa, India and Japan. Before joining Meghraj Group, Mr. Wattanga served a six-year term as Commissioner and Vice Chair of the Commission on Revenue Allocation (CRA) until December 2022.

Mr. Wattanga is a corporate finance professional with over 20 years of international experience in mobilizing capital and structuring financial transactions in the public and private sectors. He has also been keen on application of technology to increase efficiency in organisations. Mr. Wattanga began his career in the United States, working for the largest telecommunications company (AT&T) before relocating to South Africa for a decade as a Senior Partner of AFCORP Investments limited, a specialist corporate finance and transaction advisory firm undertaking and structuring capital raising transactions across the continent.

Mr. Wattanga played a key role in the conceptualization, design, development and implementation of a groundbreaking mobile gateway platform that linked Kenya's mobile money platforms to the Nairobi Securities Exchange, which was used to launch the M-Akiba bond. At CRA, he led the performance review of numerous county revenue collection systems and guided a multi-agency effort to specify and develop a Single Integrated County Revenue Management System. Mr. Wattanga has served as a member of the investment committee of Kenya Climate Ventures (KCV), a pioneering climate-smart investment platform that supports small and medium-sized enterprises. He is a Platinum member of the Kenya Institute of Bankers.

Mr. Wattanga holds a Master of Business Administration in Information Systems Strategy and Economics from the Wharton School of Business (University of Pennsylvania) and is an alumnus of Harvard University where he graduated cum laude with a Bachelors in Biochemical Sciences.

**REPRESENTATIVES OF THE NATIONAL TREASURY AND THE OFFICE OF
THE ATTORNEY GENERAL**

**1. Hon Dorcas Agik Oduor, SC, OGW, EBS.
Attorney General**



Hon. Dorcas A. Oduor, is the Attorney General of the Republic of Kenya. Before her appointment, she had an extensive career in public serving in the Office of Secretary Public Prosecution.

She attained her Bachelor of Laws (LLB) degree from the University of Nairobi and holds a post graduate Diploma in Law from the Kenya School of Law. She also holds a Masters of Arts Degree in International Conflict Management from the University of Nairobi.

She is an advocate of the High Court of Kenya with over thirty (30) years' experience in legal practice and a member of the Senior Counsel and Bar Advocate.

She previously served in the office of The Director of Public Prosecution in the capacity of Secretary Public Prosecutions. Before then she served as the Deputy Director Public Prosecution –Head of Economic, International and Emerging Crimes Department.

She has also served in various Presidential assignments including; Commission of Inquiry Taskforces and Tribunal established to investigate the conduct of Judges.

**2. Mr. Waigi Kamau
Alternate Director to the Attorney General**



Mr. Waigi Kamau is a Chief State Counsel, currently heading the Commercial, Tax and Arbitration Section in the Office of the Attorney-General.

He holds a Bachelor of Arts in Economics (Honours) degree, a Bachelor of Laws (LLB) Degree and a Post Graduate Diploma in Law from the Kenya School of Law. He is an advocate of the High Court of Kenya in good standing with over twenty-two years post admission experience. He is a member of the Chartered Institute of Arbitrators and is also a Certified Public Secretary (CPS-K).

He has previously served as Regional Head – Office of the Attorney-General (Coast Region). He also served as Deputy Head - Host Country and Consular Affairs, Ministry of Foreign Affairs.

He has vast experience in varied areas of Law including Commercial law, employment law, administrative law, tax law, constitutional law, land law, tortious claims and environmental law acquired in his many years of active practice before both local and international courts and tribunals.

3. Hon. Shadrack J. Mose, CBS
Alternate Director to the Attorney General



Hon. Shadrack J. Mose CBS, is the current Solicitor General of the Republic of Kenya, having assumed Office on 20th March, 2023.

He is the chief assistant to the Honourable the Attorney-General, in the performance of the Attorney-General's duties as the principal legal advisor to the Government. Further, he is responsible for organising, co-ordinating and managing the administrative and legal functions of the Office; supervising all court cases; and overseeing the formulation and implementation of development strategies for Government Legal Services.

Hon. Mose is an Advocate of the High Court of Kenya with over thirty three years' experience in legal practice. He holds a Bachelor of Laws (LL.B) degree from the University of Nairobi and a Post-Graduate Diploma in Law from the Kenya School of Law.

In the course of his legal career, he has engaged in various areas of practice, including complex commercial transactions and dispute resolution. His devotion to justice and commitment to providing quality representation to every client has also seen him actively engage in public interest litigation in various matters over the years.

Furthermore, he is a dedicated public servant who served as the Member of the National Assembly for Kitutu Masaba Constituency in the 12th Parliament of Kenya, between the years 2017 and 2022. As a Member of the National Assembly, he served as a member of the House Business Committee and the Departmental Committee on Transport, Infrastructure, Public Works, Housing, Urban Development, Shipping and Maritime.

4. Mr. Lawrence Kibet, Ebs
Alternate Director to the Principal Secretary, The National Treasury



Mr Lawrence Kibet, EBS was appointed to the KRA Board of Directors on 31st July, 2023 as the alternate to the Principal Secretary – The National Treasury.

He is currently the Director General, Public Investments and Portfolio Management. Prior to joining the National Treasury, he was the Chief Executive Officer of Image Registrars Limited. He is a seasoned professional with strong and successful experience in General Management, Commercial and Business Strategy, Accounting and Finance Management, Corporate Governance, Capital Raising, Commercial Law Practice, Project Management and Innovation

Management.

His overall exposure cuts across several sectors-including Finance and Banking, Energy and Petroleum, Telecommunications and Technology, Logistics, Consumer Products, Banking, Agriculture, Mining, Manufacturing, and Commercial services-and in numerous markets across Africa.

Mr Kibet holds a Bachelor of Commerce Degree (Finance Option), Masters of Business Administration (MBA), Bachelor of Laws Degree (LLB) all from the University of Nairobi. He is a Master's Degree finalist in Public Policy and Management (MPPM) from Strathmore

University with an exposure to the international module from New York University, Wagner School of Public Service.

He is a Member of Institute of Certified Public Accountants of Kenya (ICPAK), Certified Public Secretaries of Kenya (ICPSK), Member of the Law Society of Kenya (LSK) and Member of Investor Relations Society (UK).

His current responsibility at the National Treasury, entails coordinating, managing and providing leadership in Government investments and public enterprises, assets and liabilities in Government, public investment management and Government pensions.

3. MANAGEMENT TEAM

a) **Commissioner General –
Mr. Humphrey Mulongo Wattanga**



Mr. Humphrey Wattanga was appointed the Commissioner General of Kenya Revenue Authority (KRA) on 22nd August 2023. Prior to his appointment, he was the Managing Director of Meghraj Capital Group, the investment banking advisory arm of the Meghraj Group and an international firm founded by Meghji Pethraj Shah (MP Shah). In this role, he provided strategic leadership on mergers, acquisitions, partnerships and joint ventures, equity and debt raising and cross-border investments for markets in East Africa, India and Japan. Before joining Meghraj Group, Mr. Wattanga served a six-year term as Commissioner and Vice Chair of the Commission on Revenue Allocation (CRA) until December 2022.

Mr. Wattanga is a corporate finance professional with over 20 years of international experience in mobilizing capital and structuring financial transactions in the public and private sectors. He has also been keen on application of technology to increase efficiency in organisations. Mr. Wattanga began his career in the United States, working for the largest telecommunications company (AT&T) before relocating to South Africa for a decade as a Senior Partner of AFCORP Investments limited, a specialist corporate finance and transaction advisory firm undertaking and structuring capital raising transactions across the continent.

Mr. Wattanga played a key role in the conceptualization, design, development and implementation of a groundbreaking mobile gateway platform that linked Kenya's mobile money platforms to the Nairobi Securities Exchange, which was used to launch the M-Akiba bond. At CRA, he led the performance review of numerous county revenue collection systems and guided a multi-agency effort to specify and develop a Single Integrated County Revenue Management System. Mr. Wattanga has served as a member of the investment committee of Kenya Climate Ventures (KCV), a pioneering climate-smart investment platform that supports small and medium-sized enterprises. He is a Platinum member of the Kenya Institute of Bankers.

Mr. Wattanga holds a Master of Business Administration in Information Systems Strategy and Economics from the Wharton School of Business (University of Pennsylvania) and is an alumnus of Harvard University where he graduated cum laude with a Bachelors in Biochemical Sciences.

b) Commissioner – Large and Medium Taxpayers
FCCA CS Rispah Simiyu (Mrs) Advocate, EBS



Mrs. Rispah Simiyu was appointed Commissioner of Domestic Taxes with effect from 22nd October, 2020. Upon review of the Kenya Revenue Authority Organizational Structure, she is now the Commissioner of Large and Medium Taxpayers.

Prior to her appointment as Commissioner of Domestic Taxes, she served as the Deputy Commissioner in charge of the Tax Dispute Resolution Division.

She holds a Master of Laws degree with a bias in International Trade and Investment from the University of Nairobi, a Bachelor of Laws degree from the University of Dar-es-Salaam and a post-graduate Diploma in Law from Kenya School of Law. She has practiced and consulted on tax matters in Kenya, Tanzania and Uganda. She is a Fellow Chartered and Certified Accountant (FCCA), a member of the Law Society of Kenya, an Advocate of the High Court of Kenya, Notary Public, Commissioner for Oaths, Certified Public Secretary, a Certified Mediator (MTI) and a graduate of Strathmore University's Advanced Management Programme.

Mrs. Rispah Simiyu is a seasoned and grounded tax professional with over 23 years of experience. Before joining KRA in April 2018, she served as the Standard Chartered Bank Regional Tax Manager East Africa, where she also covered Transfer Pricing assignments in Africa, Middle East and Pakistan. While at the Bank, she served as a member of the Kenya Bankers Association (KBA) Finance and Audit Committee, and specifically as the Chairperson of the Tax Sub-Committee. She began her career at PricewaterhouseCoopers (PwC) in 2001.

She is a member of the Law Society of Kenya, Institute of Certified Public Accountants and Institute of Certified Secretaries.

c) Commissioner – Customs and Border Control
Dr. Lillian Anyango Nyawanda



Dr. Lillian Anyango Nyawanda was appointed Commissioner, Customs & Border Control effective 15th April, 2021.

She re-joined the Kenya Revenue Authority in October, 2023 as Commissioner, Customs and Border Control Department (a position she previously held between April, 2021 and February, 2023), after a seven (7) month secondment to the National Treasury and Economic Planning Ministry, as an adviser to the Principal Secretary.

She holds a Bachelor of Commerce (Finance) degree from the University of Nairobi, Master of Business Administration (Strategic Management) degree from United States International University, a Master of Philosophy (Public Policy) degree from Walden University and a Doctor of Philosophy degree in Public Policy & Administration from Walden University.

Dr. Nyawanda has a broad wealth of experience in Customs and International Trade, within the East African Region and the African continent at large. She also has extensive experience in policy and legislation, having been part of various legislative reviews and changes. She has gained her experience from the public and private sectors as well as the academia.

During her tenure as the Commissioner, she led the Department in registering unprecedented revenue performance and spearheaded the advancement of technology in Customs, through roll-out and integration of Customs systems. She further oversaw the tightening of controls around Kenyan borders by strengthening the enforcement function, leading efforts to open additional border points as well as establishment of Inland Border Control Check points, to curb smuggling and illicit trade.

She is a high performer who started off her career in tax at KRA in 2003 as a graduate trainee. In 2009, she moved to Deloitte as a Senior Consultant for Customs and International Trade. Subsequently, she worked at EABL in various roles until 2019 when she moved to the Diageo Centre of Excellence to oversee customs governance, risk management and international trade operations across Africa.

She is a member of the National Society of Leadership and Success and a Member of the International Public Policy Association (IPPA). She was recently awarded a Lifetime Membership by the Golden Key International Honor Society.

d) Commissioner – Legal and Board Services
CS Paul Muema Matuku, EBS



Mr. Paul Muema Matuku was appointed Commissioner, Legal Services and Board Coordination on 15th May, 2019 and re-appointed on 15th May, 2024. Upon review of the Kenya Revenue Authority Organizational Structure, he is now the Commissioner of Legal and Board Services.

He is a holder of a Bachelors Degree in Law (LLB) from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. He is a Fellow of the University of Sydney, Graduate School of Government: Extractive Industries: Effective Governance, Taxation and Financial Management.

He is a beneficiary of the Strategic Leadership Programme at the Kenya School of Government and alumni of Strathmore Business School – Advanced Management Program (Executive MBA equivalent). He is also a graduate of Kenya Revenue Authority Training Institute (KRATI), now Kenya School of Revenue Administration (KESRA) where in trained on Tax & Customs Administration. He is an Advocate of the High Court of Kenya, Notary Public and Commissioner for Oaths and a Certified Public Secretary.

Mr. Paul Muema Matuku joined the Kenya Revenue Authority in 1996 as a Graduate Trainee and rose through the ranks to be a Commissioner.

He has been instrumental in the development and management of dispute resolution mechanisms in KRA having overseen the take-over of the defense of KRA tax disputes cases from the Attorney General in the year 2000 and the development and roll out of a more robust Alternative Dispute Resolution mechanism in the year 2015. He also contributed to the promulgation of the National Energy Policy, 2018; Petroleum Act, 2019 and the Model Production Sharing Contract.

Mr. Paul Muema Matuku is the Secretary to the Kenya Revenue Authority Board.

He is a member of the Law Society of Kenya, the East African Law Society and the Institute of Certified Secretaries, Kenya.

e) Commissioner – Investigations and Enforcement
Mr. David Yego



Mr. David K. S. Yego, was appointed Commissioner, Investigations, Enforcement, Intelligence and Strategic Operations Department on 23rd February, 2023 until the expiry of his Contract of Service on 22nd March, 2025. He has previously served as Commissioner, Investigations & Enforcement Department and Commissioner, Regional Coordination.

He is a holder of a Master's Degree in Business Administration (MBA) from the University of Nairobi and a Bachelor's Degree in Mathematics and Economics from Kenyatta University. He is also a Certified Public Accountant of Kenya (CPAK).

Mr. David K. S. Yego joined the Kenya Revenue Authority in 1996 as a Graduate Trainee and rose through the ranks to be a Commissioner.

He has over fifteen (15) years' experience in senior management with roles in various Departments within the Kenya Revenue Authority with stint in the Internal Audit Division, Customs and Border Control Department and Commissioner General's office. He is instrumental in setting up the Intelligence Unit currently in the Office of the Commissioner General as well as the Prosecution Unit within the Investigations and Enforcement Department in alignment with the 10 OECD Global principles to ensure tax offenses are criminalised.

Mr. David K. S. Yego is a member of the Institute of Certified Public Accountants of Kenya.

f) Acting Commissioner – Investigations and Enforcement
Mr. Levi Mukhweso



Mr. Levi Mukhweso was appointed Acting Commissioner, Investigations & Enforcement Department on the 24th March, 2025. Prior to his appointment, he served as Deputy Commissioner of Investigations.

He holds a Master's degree in Business Administration from the University of Nairobi, a Master's in Economics, and a Bachelor's degree in Economics from Shivaji University, India. He is pursuing a PhD in Global/Strategic Business Management at The Presbyterian University of East Africa (PUEA).

Mr. Levi Mukhweso joined the Authority in 1994 from the private sector and has grown through the ranks in Kenya Revenue Authority from a tax assessor trainee to the current position of Ag. Commissioner of the Investigations and Enforcement Department.

He is a well-versed tax professional with over thirty (30) years of experience in the Kenya Revenue Authority, having served in various senior management roles. He has had a stint in the Investigations and Enforcement Department as a Chief Manager in both customs and domestic tax Investigations, the Kenya School of Revenue Administration (KESRA) Mombasa and Nairobi Campuses as the Chief Manager/Principal, Domestic Taxes Department as Senior Assistant

Commissioner Policy and Strategy (Real Estate), Support Services Department as Senior Assistant Commissioner, Quality Management Programme (QMP) and Senior Assistant Commissioner, Projects Office and the Large Taxpayer Department as Assistant Commissioner, Audit.

Mr. Mukhweso has served as Council Member of the Agricultural Society of Kenya (ASK), Trustee of the Professional Trainers Association of Kenya (PTAK), Trainer, Accredited trainer for the Centre for Parliamentary Studies and Training (CPST), and the Eastern and Southern African Management Institute (ESAMI), Auditor, Lead Auditor, Lecturer, and Chairman to several Sub-Committees in various Boards including Nairobi International Trade Fair where he served as Chairman in various Sub-committees and currently he is the Chief Steward (Deputy Chairman) Nairobi International Trade Fair. He is a long-serving member of the Impala Club Disciplinary Committee.

He steered the Kenya Revenue Authority to achieve the coveted ISO 9001:2000 Certification. He pioneered and significantly contributed to setting up the Large Taxpayers Office (LTO), the Regional Audit Centres (RAC), the Compliance and Verifications Unit in VAT, and the Real Estate Office.

Mr. Mukhweso is an Associate Member of the Association of Certified Fraud Examiners (ACFE), a Member of the International Register of Certification Auditors (IRCA), a Member of APMG – International PM4 (Project Management), a Member of the Professional Trainers Association of Kenya and a life governor of the Agricultural Society of Kenya (ASK).

g) Acting Commissioner – Medium and Small Taxpayers
Mr. George Obell, MBS



Mr. George Obell was appointed Acting Commissioner, Micro and Small Taxpayers on 20th February, 2025. Prior to this, he served as the Deputy Commissioner for the Medium Taxpayers Office (MTO) from November, 2020.

Before his tenure in the MTO, Mr. Obell held key leadership roles within KRA, including Deputy Commissioner for the East and South of Nairobi Tax Service Office (May 2019 - October 2020) and Deputy Commissioner for the Large Taxpayers Office (June 2018 - April 2019). Joining KRA in 1996, he has steadily advanced through the ranks, bringing a wealth of experience and expertise to his current leadership role.

In addition to his role at KRA, Mr. Obell has earned recognition in the international tax arena. He currently serves as the Chair of the Value Added Tax (VAT) Technical Committee for the African Tax Administration Forum (ATAF) and previously chaired the Cross-Border Taxation Committee. His expertise has also been recognized globally, having been appointed by the UN Secretary-General as a member of the United Nations Committee of Experts on International Cooperation in Tax Matters. In this capacity, he contributed to the development of international frameworks for tax cooperation.

Mr. Obell is a seasoned expert with over 28 years' experience in various aspects of taxation, including strategy, policy development, and international tax compliance. His areas of expertise encompass digital taxation, transfer pricing, Base Erosion and Profit Shifting (BEPS), tax audits, and the Exchange of Information (EoI) for tax matters.

He holds a Master of Business Administration (MBA) and a Bachelor of Laws (LL.B.) from the University of Nairobi, as well as a Bachelor of Science in Accounting from the United States

International University-Africa (USIU-Africa). Additionally, he is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

h) Commissioner – Kenya School of Revenue Administration
Dr. Fred Mugambi Mwirigi



Dr. Mugambi Mwirigi was appointed as Head of the Kenya School of Revenue Administration (KESRA) with effect from 15th May, 2019 and re-appointed on 15th May, 2024. He has previously served as the Deputy Commissioner in charge of Academic and Students Affairs at KESRA.

He holds a PhD. in Entrepreneurship, a Master of Science degree in Entrepreneurship, a Bachelor of Business Administration (1st class honors) degree and a Diploma in Small Enterprise Management attained from Galilee International Management College, Israel. He is also a graduate of the Advanced Management Program from Strathmore University. Dr. Mugambi has also been trained in various areas in South Africa, China and Bangladesh.

Prior to joining KRA, Dr. Mugambi was the founding Director of the Mombasa Campus of The Jomo Kenyatta University of Agriculture and Technology (JKUAT) where he was the Director for 7 years. Overall, he taught at JKUAT for 11 years and rose to the level of Senior Lecturer. While at JKUAT he was also the Chairman of the Nairobi Industrial Park the initiative that gave rise to a bid by the University to assemble laptops for the government. Prior to joining JKUAT he taught at Kenya Methodist University and also worked at Kenindia Assurance Company.

He sits in various boards and committees. He currently sits on the African Tax Administration Forum (ATAF), Advisory Board of the African tax Research Network (ATRN). He has in the past served as the chairman of the Board Recruitment Committee for the Technical and Vocational Education and Training Authority (TVETA) under the Ministry of Education. Dr. Mugambi is also a member of Rotary International where he is involved in various philanthropic activities.

In the past, Dr. Mugambi has conducted Consultancy and training tasks for many national and international organizations including JICA, Ministry of Industrialization, Consumer International, FAULU Kenya, East African Breweries Limited, GIZ, Adam Smith International, Kenya Education Staff Institute, Kenya Coconut Development Authority and Githunguri Dairy Farmers Cooperative Society, among others in 6 countries.

i) Acting Commissioner – Shared Services
Nancy Ng’etich, MBS



Ms. Nancy Ng’etich was appointed Acting Commissioner, Corporate Support Services on 23rd February, 2023. Upon review of the Kenya Revenue Authority Organizational Structure, she is now the Commissioner of Shared Services.

She holds a Master’s Degree in Business Administration, Strategic Management from Kenyatta University, a Bachelor’s degree in Law from Moi University, postgraduate Diploma in Law from the Kenya School of Law, Senior Leadership training from Commonwealth Administration of Tax Administration (CATA) and Strathmore Business School (SBS).

Ms. Nancy Ng’etich joined Kenya Revenue Authority as a Graduate Trainee and has risen through the ranks to the position of Deputy Commissioner in Customs and Border Control. She has also served at Ernest &Young LLP as a Senior Manager Customs and Tax Advisory consulting.

She is a legal tax administrator in International Global Trade and Customs Laws. She has been instrumental in the Customs Reforms & Modernization Agenda, Process Re-engineering, Border Coordination Management, Implementation of One Stop Border Posts and Operationalization of Authorized Economic Operator. While at Customs and Border Control, she represented the Department at the National Treasury as a Customs Tax expert in the National Budget making process, Policy formulation and implementation of tax laws and fiscal measures.

Regionally, she was the Kenya Customs representative in the National Working Group involved in the formulation of the African Continental Free Trade Agreement Protocol on Trade in Goods, Intellectual property rights, Competition Policy and Rules and Procedures on the Settlement of Disputes. She has also been the Customs team lead at the East African Community (EAC) level in the formulation and implementation of the EAC Customs laws and Regulations.

Ms. Nancy Ng’etich is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya, the Institute of Certified Public Secretaries and the Kenya Institute of Management.

j) Acting Commissioner, Business Strategy, Technology and Enterprise Modernization
Mr. Alex Mwangi



Mr. Alex Mwangi was appointed Acting Commissioner, Strategy, Innovation and Risk Management on 4th September, 2023. Upon review of the Kenya Revenue Authority Organizational Structure, he is now the Commissioner of Business Strategy, Technology and Enterprise Modernization.

He holds a Bachelor’s degree in Statistics from University of Nairobi and a Master’s degree in Statistics from the same University. He has attended various local and international training programmes including Tax Policy and Administration at the National Tax College in Japan.

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Mr. Alex Mwangi joined Kenya Revenue Authority on 14th January 2002 as a Graduate Trainee and has risen through the ranks to the position of Deputy Commissioner, Research, Knowledge Management and Corporate Planning.

Regionally, he has represented the Authority in international engagements including East African Revenue Authorities Technical Committee; development of African Tax Outlook by African Tax Administration Forum; Revenue Statistics in African by OECD; International Survey on Revenue Administration (ISORA); by International Monetary Fund (IMF) and formulation of Medium Term Revenue Strategy for Kenya.

4. CHAIRMAN'S STATEMENT FOR THE FINANCIAL YEAR 2024/2025

Foreword

I am honoured to present the Kenya Revenue Authority (KRA) Annual Report and Financial Statements for FY 2024/25, marking the first year of our **Ninth Corporate Plan (2024/25–2028/29)**. Under the theme *“Unlock and Tap the Full Revenue Potential through Technology Transformation, Service Excellence and Integrity,”* we aim to expand the tax base, explore new revenue streams, and promote equitable contribution across all sectors.

Aligned with Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Fourth Medium Term Plan, KRA's strategic focus remains on enhancing revenue collection, improving customer satisfaction, digitising revenue administration, and strengthening human capital.

Kenya's Economic Performance

Kenya's economy grew by 4.7% in 2024, a slowdown from 5.7% in 2023, impacted by adverse weather and global shocks. Key growth drivers included: financial and insurance activities (7.6%), agriculture (4.6%), and real estate (5.3%).

Inflation eased to 5.6% from 6.2% the previous year, while the current account deficit narrowed to 1.8% of GDP, supported by higher remittances and reduced trade gaps. However, global disruptions (e.g., Russia-Ukraine war, Red Sea shipping challenges) escalated import costs and exchange rate pressures.

Global Economy

Global GDP grew by 3.2% in 2024, slightly below the 3.3% recorded in 2023. Sub-Saharan Africa grew by 3.8%, and the East African Community by 5.4%. Slower growth was attributed to geopolitical tensions, high interest rates, and climate-related disruptions. While advanced economies maintained moderate growth at 1.7% due to strong domestic demand, growth in emerging and developing economies fell to 4.2% due to commodity and shipping challenges.

Revenue Performance

KRA collected a net of **Kshs. 2.572 trillion** (inclusive of Surplus Funds of Kshs.193 million received directly at The National Treasury) in FY 2024/25 surpassing the target of **Kshs. 2.555 trillion**, reflecting a performance rate of **100.6%** and a revenue growth of **6.8%** over FY 2023/24. Exchequer revenue amounted to Kshs. 2.323 trillion, representing 99.0% performance, while agency revenue reached Kshs. 248.28 billion against a target of Kshs. 207.81 billion, achieving 119.5% performance and 34.9% growth. **Table 1** below represents the revenue performance by department:

Table 1: Revenue Collection (Kshs. billion)

| Department | Target 2024/2025 Kshs. | Actual 2024/2025 Kshs. | Performance Rate (%) | Actual 2023/2024 Kshs. | Growth Over 2024/2025 (%) |
|--|------------------------------|------------------------------|-------------------------|------------------------------|---------------------------------|
| Gross Collections | | | | | |
| Customs Services | 831.28 | 880.16 | 106% | 791.85 | 11% |
| Domestic Taxes(Including Surplus Funds remitted Directly to Treasury | 1,751.01 | 1,718.13 | 98% | 1,637.63 | 5% |
| Road Transport | 3.70 | 4.07 | 110% | 4.74 | -14% |
| Total (Gross) | 2,586 | 2,602 | 101% | 2,434 | 7% |
| Less: Provision for Refund | | | | | |
| Customs Services | 0.90 | 0.83 | 92% | 0.66 | 25% |
| Domestic Taxes | 30.00 | 30.00 | 100% | 30.00 | 0% |
| Road Transport | - | - | - | - | - |
| Net Collections | 31 | 31 | 100% | 31 | 1% |
| Customs Services | 830 | 879 | 106% | 791 | 11% |
| Domestic Taxes | 1,721 | 1,688 | 98% | 1,608 | 5% |
| Road Transport | 3.70 | 4.07 | 110% | 5 | -14% |
| Total (Net) | 2,555 | 2,572 | 101% | 2,404 | 7% |

Revenue Performance Drivers

The Authority's strong revenue performance this year was achieved through strategic reforms and innovative approaches to revenue mobilization. Key among these were our successful digital transformation and compliance enhancement initiatives. The rollout of eTIMS and upgraded iCMS systems strengthened real-time transaction monitoring and customs efficiency, while our expanded data analytics capabilities improved tax base visibility.

Strategic measures including the rental income tax system and betting sector integration contributed significantly to revenue growth. Through targeted taxpayer education and robust enforcement, we achieved higher voluntary compliance rates. Our new border facilitation centers further supported trade while ensuring proper revenue collection.

These technological and operational advancements demonstrate KRA's commitment to building a modern, efficient tax administration that supports Kenya's economic growth.

KRA's Strategic Outlook

Building on Kenya's projected economic growth of 4.5-5.3% in 2025, KRA is positioned to strengthen revenue mobilization through our ongoing transformation initiatives. The improving macroeconomic environment, coupled with our enhanced digital capabilities creates favourable conditions for expanding the tax base and improving compliance rates.

While remaining vigilant of risks from global economic uncertainties and domestic fiscal constraints, KRA's Ninth Corporate Plan prioritizes technology transformation and service excellence to enhance operational efficiency. Through continued innovation and stakeholder engagement, we are committed to achieving our revenue targets while supporting Kenya's fiscal sustainability and fostering an environment conducive to investment and economic growth.

Appreciation

I wish to express my sincere appreciation to the National Treasury for their steadfast support of our revenue mobilization efforts. My deepest gratitude goes to the KRA Board, management, and staff for their unwavering commitment and professionalism in achieving these results. Most importantly, we thank our valued taxpayers for their continued compliance and shared commitment to Kenya's economic development.



HON. NDIRITU MURIITHI
CHAIRMAN, KRA BOARD OF DIRECTORS

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

1. Introduction

In FY 2024/25, KRA launched its 9th Corporate Plan (2024/25–2028/29), anchored on the vision of being “*an agile tax and customs revenue agency facilitating voluntary compliance for all.*” To translate this vision into action, KRA channelled its efforts through seven strategic key result areas: revenue mobilisation, customs border management, tax simplification, taxpayer education and engagement, trade facilitation, operational efficiency, and human resource management. This structured approach not only sharpened the Authority’s operational roadmap but also reinforced its commitment to **modernizing revenue administration, enhancing voluntary compliance, and delivering exceptional taxpayer services.**

Despite navigating a **complex and challenging economic landscape**, KRA’s strategic initiatives yielded measurable success. Net Revenue collections rose to **Kshs. 2.572 trillion** (inclusive of Surplus Funds of Kshs.193 million received directly at The National Treasury), up from **Kshs. 2.407 trillion** in FY 2023/24, reflecting the impact of sustained reforms, data-driven compliance, and improved stakeholder collaboration.

2. Operating Environment

The Kenyan economy faced considerable headwinds in 2024, recording a moderate growth rate of 4.7%. This performance was constrained by tightening credit conditions that dampened private sector activity, adverse climate shocks that disrupted agricultural production, and fiscal consolidation efforts aimed at stabilising public finances. Nonetheless, the economy exhibited notable resilience, driven by targeted government interventions that helped mitigate global volatility and sustain momentum in key sectors.

3. Revenue Performance

The Kenya Revenue Authority delivered exceptional revenue performance in the FY 2024/25 financial year, collecting a net of **Kshs. 2.572 trillion** (inclusive of Surplus Funds of Kshs.193 million received directly at The National Treasury) against a target of **Kshs. 2.555 trillion**. This achievement represents not only a **100.6%** target attainment but also continues our impressive growth trajectory, with a **6.8%** year-on-year increase and a remarkable **54.1%** cumulative growth over the past five years. Since FY 2020/21, we have expanded revenue collection by **Kshs. 902.32 billion**, maintaining an average annual growth rate of **9.3%** over the past decade, a testament to our sustained commitment to revenue mobilization. **Table 2** below represents the revenue performance by department:

Table 2: Revenue Collection (Kshs. billion)

| Department | Target 2024/2025 | Actual 2024/2025 | Performance Rate (%) | Actual 2023/2024 | Growth Over 2024/2025 (%) |
|---|---------------------|---------------------|-------------------------|---------------------|------------------------------------|
| Gross Collections | Kshs. | Kshs. | | Kshs. | |
| Customs Services | 831.28 | 880.16 | 106% | 791.85 | 11% |
| Domestic Taxes(Including Surplus Funds remitted Directly to Treasury) | 1,751.01 | 1,718.13 | 98% | 1,637.63 | 5% |
| Road Transport | 3.70 | 4.07 | 110% | 4.74 | -14% |
| Total (Gross) | 2,586 | 2,602 | 101% | 2,434 | 7% |
| Less: Provision for Refund | | | | | |
| Customs Services | 0.90 | 0.83 | 92% | 0.66 | 25% |
| Domestic Taxes | 30.00 | 30.00 | 100% | 30.00 | 0% |
| Road Transport | - | - | | - | |
| Net Collections | 31 | 31 | 100% | 31 | 1% |
| Customs Services | 830 | 879 | 106% | 791 | 11% |
| Domestic Taxes | 1,721 | 1,688 | 98% | 1,608 | 5% |
| Road Transport | 3.70 | 4.07 | 110% | 5 | -14% |
| Total (Net) | 2,555 | 2,572 | 101% | 2,404 | 7% |

Our Customs and Border Control Department delivered outstanding results, exceeding its target by 5.9% with collections of Kshs. 879.329 billion against a Kshs. 830.368 billion target, while achieving impressive 11.1% year-on-year growth. The Domestic Taxes Department maintained strong performance with Kshs. 1.688 trillion collected, representing 98.1% of its Kshs. 1.721 trillion target and demonstrating steady 4.8% growth compared to the previous fiscal year. This balanced performance across both departments underscores KRA's continued effectiveness in revenue administration, combining rigorous border controls with robust domestic compliance measures to sustain our positive collection trajectory in support of Kenya's economic development.

Table 1: Revenue Collection (Kshs. billion)

4. Key Revenue Drivers FY 2024/25

This year's revenue performance reflects our strategic focus on **technology as an enabler**, coupled with targeted compliance measures. By leveraging our digital ecosystem, including iCMS, iTax, eTIMS, and advanced analytics, we enhanced efficiency, closed leakage gaps, and created a seamless taxpayer experience. These technological foundations, combined with the following key initiatives, drove our **Kshs 2.572 trillion** collection:

- i). **Tax amnesty**-The successful amnesty program generated **Kshs 29 billion** while bringing **3.5 million taxpayers** into compliance, a proof to our balanced approach of enforcement and facilitation.
- ii). **Tax base expansion**: Our innovative approach to broadening the tax base delivered **Kshs 24.9 billion**, with the real estate sector proving particularly transformative. The successful rollout of our **Electronic Rental Income Tax System (eRITS)**, combined with enhanced Monthly Rental Income (MRI) and Block Management System (BMS) enforcement, has revolutionized property tax compliance
- iii). **Betting and Gaming Sector**: Through our successful integration of 141 betting and gaming operators into our real-time tax monitoring system, we achieved **Kshs. 20.5 billion** in collections - comprising excise duty on betting and withholding tax on winnings. This technological intervention has transformed compliance in a traditionally high-risk sector, setting a new standard for revenue administration.

- iv). **Enforcement & Integrity:** Recovered **Kshs 141 billion** in outstanding debts through targeted enforcement while iWhistle program reclaimed **Kshs 6.8 billion** while reinforcing institutional integrity
- v). **Dispute Resolution:** We successfully resolved **970 cases** through our Alternative Dispute Resolution framework and Tax Appeals Tribunal, recovering **Kshs 15 billion** while preserving taxpayer relationships. Simultaneously, our strategic litigation efforts safeguarded an additional **Kshs 65 billion** in revenue, demonstrating our dual commitment to both taxpayer service and fiscal responsibility.

5. Outlook

The Kenya Revenue Authority reaffirms its commitment to deliver the FY 2025/26 revenue target of Kshs. 2.935 trillion, representing a significant 14.2% growth over FY 2024/25 collections. This growth will be anchored by our core revenue streams: PAYE (22.2%), Non-Oil Taxes (21.4%), Domestic VAT (13.1%), Corporation Tax (12.4%), and Oil Taxes (10.6%), bolstered by Kenya's projected 5.3% economic growth.

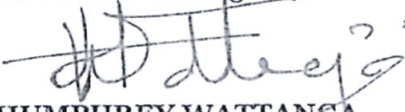
Building on this positive economic outlook, we are intensifying implementation of our 9th Corporate Plan (2024/25-2028/29) under the strategic theme "Unlock and Tap the Full Revenue Potential through Technology Transformation, Service Excellence, and Integrity." Our approach combines three critical elements: leveraging cutting-edge technology as a catalyst for expanding the tax base and reducing revenue leakages; simplifying processes while strengthening compliance measures; and aligning our efforts with Kenya's most dynamic economic sectors to maximize revenue potential.

While acknowledging the challenges posed by global economic uncertainties and domestic fiscal constraints, we are confident that KRA's adaptive systems, data-driven approach, and commitment to integrity position us to navigate these challenges successfully. Our vision extends beyond immediate target to building a modern, resilient revenue administration system that will sustainably support Kenya's development agenda for generations to come.

6. Conclusion

I wish to express my deepest gratitude to the KRA Board, our dedicated management team, and every staff member whose tireless efforts made FY 2024/25 a success. Our sincere appreciation extends to the National Treasury for their unwavering partnership, and most importantly, to all taxpayers for fulfilling their civic duty, your compliance is the bedrock of our nation's development.

As KRA marks its Pearl Anniversary, we proudly reflect on a 30-year transformation, growing revenue collections from **Kshs. 122 billion** in 1995 to over **Kshs. 2.5 trillion** in 2025. This twenty-fold growth is a testament to the power of innovation, integrity, and collaborative nation-building. Building on this legacy, KRA remains steadfast in its mission to ensure fiscal sustainability through efficient revenue mobilisation, while fostering a competitive and enabling environment for inclusive economic growth.



HUMPHREY WATTANGA
COMMISSIONER GENERAL

6. REVIEW OF KENYA REGULATORY & NON-COMMERCIAL ENTERPRISE'S PERFORMANCE FOR FY 2024/25

Statement of Performance against Pre-Determined Objectives

KRA has four balanced scorecard perspectives and four strategic goals within its strategic plan for the period 2024/25 to 2028/29. These strategic perspectives are: Revenue, People, Customer, and Business process.

KRA develops Annual Work Plans based on the above four perspectives. Assessment of the Board's performance against its annual work plan is done quarterly by perspective. KRA achieved most of its performance targets set for the FY 2024/25 period for its four strategic perspectives as indicated in Table 1.

TABLE 1: STRATEGIC ACHIEVEMENTS IN FY 2024-2025

| Strategic pillar/ perspective | Strategic Objective | Performance Indicator | Target FY 2024/25 | Achievement 2024/25 | Remarks |
|----------------------------------|------------------------------------|------------------------------------|-------------------------|------------------------|---|
| Revenue | Enhance tax and customs compliance | Total Revenue collected (Kshs. Bn) | 2,555.1 | 2,571.5 | <ul style="list-style-type: none"> Total Revenue performance of 100.6% Exchequer collection of Kshsh. 2,323bn against a target of Kshs. 2,347 bn (99% performance) Agency Revenue collection of Kshs.248.3bn against a target of Kshs.207.8bn (119.5% performance) |
| | | On-time filing rate | 84 | 81 | <ul style="list-style-type: none"> 96.4% performance 81% of taxpayers who were expected to file returns by the due dates |
| | | On-time payment rate | 75 | 81 | <ul style="list-style-type: none"> 108% performance 81% of taxpayers who were expected to pay taxes paid by the due dates |
| | Tax Base Expansion | Number of active taxpayers (Mn) | 10.37 | 10.56 | <ul style="list-style-type: none"> 101.8% performance Active taxpayers are the ones who pay and/or file returns |

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| Strategic pillar/ perspective | Strategic Objective | Performance Indicator | Target FY 2024/25 | Achievement 2024/25 | Remarks |
|----------------------------------|---|-----------------------------------|-------------------------|------------------------|--|
| Customer | Simplify tax and customs processes | Tax Simplification Index | 53 | 59.8 | <ul style="list-style-type: none"> 112.8% performance Taxpayers perceive the tax system to be less complex compared to FY 2023/24 |
| | Improve trade facilitation | Time Taken to Release Goods (Hrs) | 43.15 | 40.38 | <ul style="list-style-type: none"> 106.9% performance It is now taking less time to release goods at the ports |
| Business Process | Scale up infrastructure to meet business demands | % System uptime | 99.2 | 99.01 | <ul style="list-style-type: none"> 99.8% performance KRA systems were 99.01% available for use |
| | Attain a fully integrated and simplified revenue administration | Automation level (%) | 97.3 | 97.3 | <ul style="list-style-type: none"> 100% performance 97.3% of KRA processes are automated |
| People | Enhance integrity | Corruption perception index | 30 | 30.54 | <ul style="list-style-type: none"> 98.2% performance The ideal situation is to have 0% corruption perception Corruption perception has not significantly changed compared to FY 2023/24 |

7. MANAGEMENT DISCUSSION AND ANALYSIS

i. Revenue Performance and Growth FY 2015/16 – FY 2024/25

KRA continues to implement her mandate of assessing, collecting, and accounting for all revenues per specific laws governing it. At the same time, the Authority, advises on matters relating to the administration of, and collection of revenue under the written laws or the specified provisions of the written laws while performing such other functions concerning revenue as directed by the Minister for Finance.

The following sections present the revenue collected, the contribution from the two main departments, and the collection against the target for the nine years. It also gives an overview of some anticipated risks and their mitigation measures.

Figure 1 presents the revenue collection trend from FY 2015/16 to FY 2024/25. The figure shows consistent revenue performance in this period, with average annual revenue growth of **9.3 percent** in the ten years and **8.2 percent** in the last three years. The highest revenue growth was recorded in FY 2021/22 at **21.7 percent**.

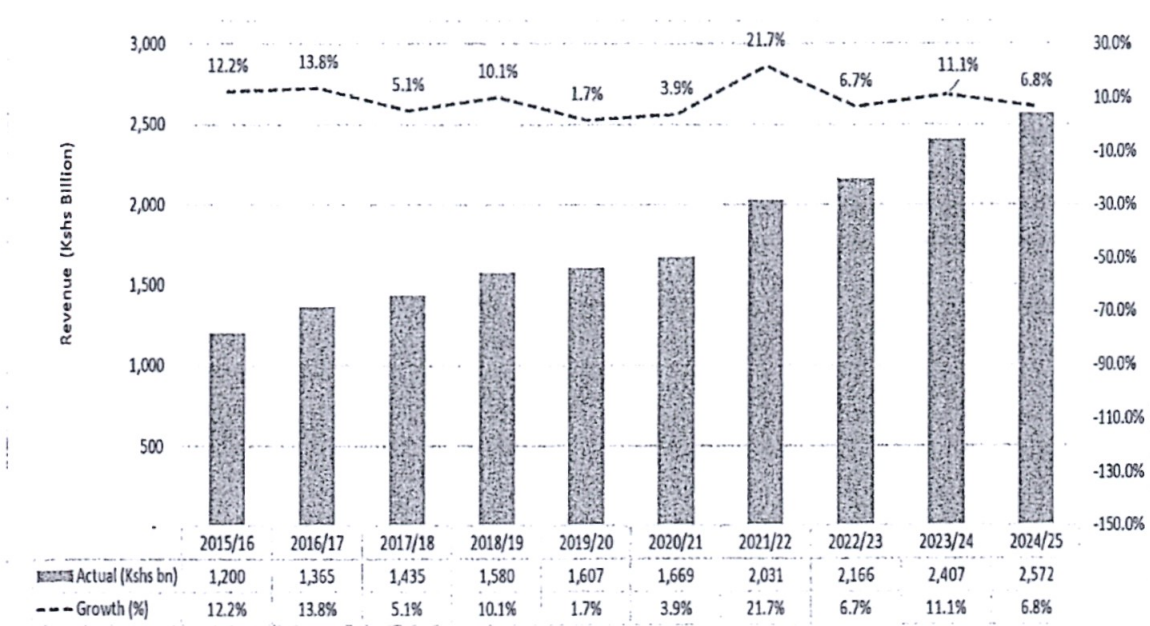


Figure 1: Tax Revenue Trends (2015/16 – 2024/25)

As shown in Figure 2 below, Customs and Border Control collected **Kshs. 879.329 billion** in the FY 2024/25 against a target of **Kshs. 830.368 billion** registering a revenue surplus of **Kshs. 48.961 billion**. Customs revenues grew by **11.1 percent** over **Kshs. 791.368 billion** collected in FY 2023/24 and recorded a performance rate of **105.9%**. On the other hand, the Domestic Taxes Department collected **Kshs. 1.688 trillion** in FY 2024/25 against a target of **Kshs. 1.721 trillion**, a revenue shortfall of **Kshs. 32.881 billion**. Domestic tax revenue grew by **4.8 percent** over **Kshs. 1.611 trillion** collections in FY 2023/24 and recorded a performance rate of **98.1 percent**.

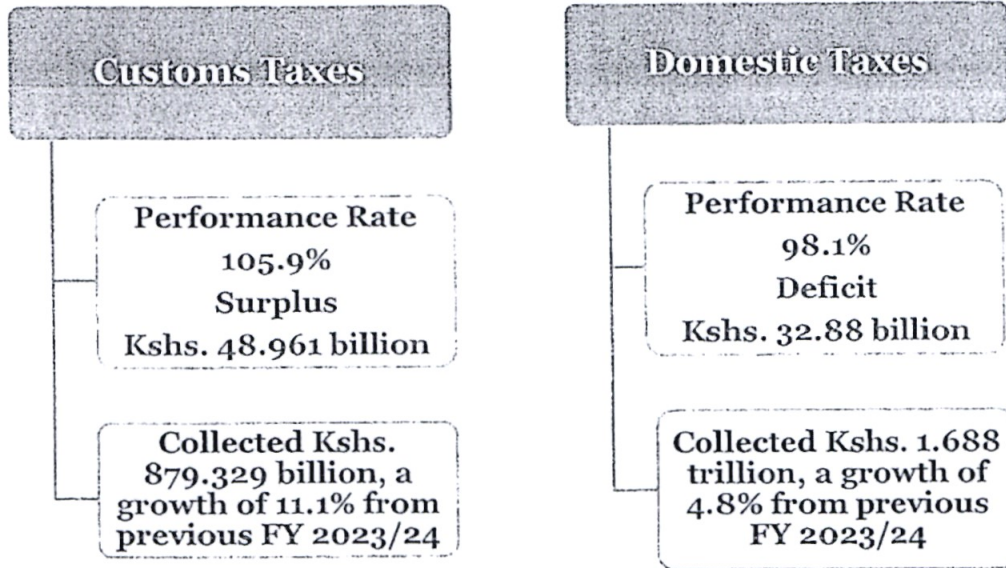


Figure 1: FY 2024/25 Performance rate against the target

ii. Performance of Key Tax Heads

Corporation Tax: Corporation tax collections stood at **Kshs. 304.803 billion** against a target of **Kshs. 321.080 billion**. The tax head recorded a growth of **9.9 percent** in the FY 2024/25. This performance was driven by increased remittances from sectors like: ICT (18.5%); Manufacturing (30.5%); Real Estate (7.5%); Accommodation & Food Services (15.3%); Electricity, Oil, & Gas (55.1%); Finance & Insurance (8.3%); Wholesale & Retail Trade (7.8%); among others. These sectors contributed **80.6%** of the Corporation taxes.

Pay As You Earn (PAYE): P.A.Y.E collection was **Kshs. 560.963 billion** against a target of **Kshs. 566.601 billion**. The performance was mainly driven by remittance from private firms and the public sector, which grew by **2.5%** and **4.7%** respectively. The slow growth was attributed to utilisation of adjustment vouchers by taxpayers to offset tax liabilities and policy impacts, which included adjustment of SHIF and Housing Levy from relief to allowable deductions before tax computation

Domestic Excise: The tax head collections amounted to **Kshs 69.385 Billion** in FY 2024/25 against a target of **Kshs 71.369 Billion**, accruing a deficit of **Kshs 1.984 Billion** (or a performance rate of **97.2%**). Revenue declined by **5.8%** over **Kshs 73.624 Billion** collected in FY 2023/24.

Domestic VAT: Domestic VAT collection amounted to **Kshs. 327.336 billion** in FY 2024/25 compared to **Kshs 314.157 billion** in FY 2023/24, a growth of **4.2 percent**. The growth is attributed to the implementation of the tax amnesty programme, which enhanced compliance among taxpayers. VAT remittance from a number of sectors (Accommodation, Administrative & Support, Electricity, Oil & Gas, Finance & Insurance, ICT, Professional & Scientific, and Transport & Storage) declined by an average of **3.5%**. This was attributed to prevailing economic conditions earlier in the year when business activity slowed down amid deterioration in the operating environment, characterized by protests that affected trade

iii. Revenue Performance against Target FY 2015/16 – FY 2024/25

In Figure 3, we present the historical performance of revenue against revised targets. It is noted that the target has been revised over the years to adjust for changes in the macroeconomic environment that dictates the level of revenue collection. For the last ten years, KRA has consistently missed her target by an average of 2.65%. However, in FY 2020/21 and FY 2021/22, the targets were surpassed by 1.04% and 2.78% respectively despite the challenges in the operating environment. In FY 2024/25, the revenue collection surpassed the revised target by 0.6 percent.

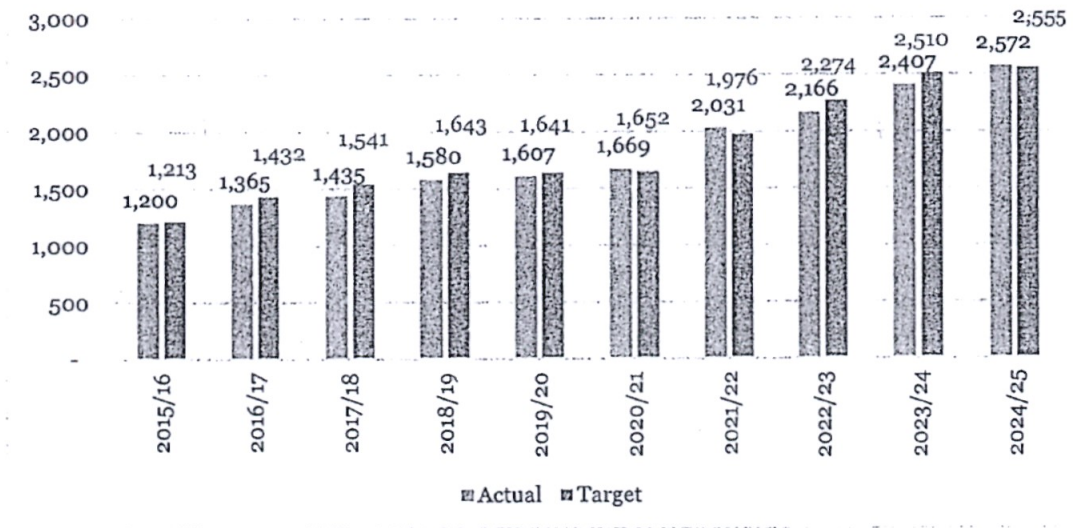


Figure 3: FY 2015/16 - FY2024/25 Actual Collection against Supplementary III

iv. Risks and Mitigation in the 9th Corporate Plan

KRA faces several risks that may impact revenue collection and service delivery in FY 2025/26. These span economic, policy, and operational domains. In response, the Authority has put in place targeted mitigation strategies aligned with the 9th Corporate Plan. The key risks and interventions are outlined below:

a. Growth of the Informal and Digital Economy

Risk: The expansion of informal cash-based enterprises and digital platforms operating outside the formal tax net leads to significant revenue leakage and weakens tax equity.

Mitigation: KRA is intensifying implementation of the Tax Base Expansion (TBE) programme through tools such as the Electronic Rental Income Tax System (eRITS), Block Management System (BMS), and enhanced third-party data integration. The roll-out of eTIMS will support real-time transaction tracking, while simplified tax regimes for small-scale traders will encourage voluntary compliance.

b. Geopolitical and Global Economic Uncertainties

Risk: Conflicts such as the Russia–Ukraine war and rising tensions in the Middle East (Israel, Gaza, and Iran), coupled with global recession risks and supply chain disruptions, have driven up inflation and dampened global economic growth negatively affecting trade and revenue in Kenya.

Mitigation: KRA is diversifying the revenue base by targeting under-taxed and emerging sectors such as the digital and informal economy. The Authority is also strengthening international tax cooperation, cross-border information exchange, and the use of data-driven compliance models to build resilience against global shocks.

c. Volatile Tax Policy Environment

Risk: Frequent amendments to tax laws create uncertainty, administrative burden, and discourage both voluntary compliance and long-term investment.

Mitigation: KRA is working closely with the National Treasury to promote policy predictability through the National Tax Policy and Medium-Term Revenue Strategy, which aim to streamline tax legislation and foster stability.

d. Cybersecurity Threats

Risk: Rising cyber threats pose risks to the integrity of KRA's digital platforms, potentially disrupting operations, exposing taxpayer data, and eroding public confidence.

Mitigation: KRA is enhancing its cybersecurity posture by investing in modern security infrastructure, conducting regular risk assessments, and training staff. These measures are designed to safeguard key systems such as iTax, eTIMS, and iCMS, and ensure secure, uninterrupted service.

e. Illicit trade

Risk: Smuggling, counterfeiting, and evasion in excisable goods undermine legitimate business activity, erode the tax base, and lower both customs and domestic revenue.

Mitigation: KRA is scaling up border surveillance by establishing new border control offices, enhancing infrastructure with modern scanners, RECTS, and advanced risk-based profiling tools. Additionally, the Authority is deepening collaboration with partner agencies and regional bodies to disrupt illicit trade flows and fortify legal and regulatory frameworks for effective deterrence.

1) KRA Project Portfolio

KRA is implementing the following projects with the goal of effectively delivering its primary mandate of revenue mobilization. The projects are at different stages of completion and are shown in Table 2.

Table 2: KRA's Project Portfolio

| Stage | Number of Projects | Projects |
|--|--------------------|--|
| Completed Projects (Since July 2023) | 3 | <ol style="list-style-type: none"> 1. ICMS 2. East African Regional Transport, Trade and Development Facilitation Project (EARTTDFP) 3. Ushuru Pensions Towers Phase II Fit out |
| Completion & Closure (90% - 100%) | 5 | <ol style="list-style-type: none"> 1. Case Management System 2. eTIMS 3. Digital Forensics Lab 4. DWBI (insight) 5. Refurbishment of Secondary Data Centre |
| Execution (16% - 89%) | 8 | <ol style="list-style-type: none"> 1. Horn of Africa Gateway Development Project (HoAGDP) 2. Network Access Control (NAC) 3. Self-Declaration Solution For Small Scale Traders (self-clear) 4. Exchange of Information with other Tax Agencies (TLIP) 5. Exchange of Information System (EOIS) 6. Security Operations Centre (SOC) 7. Web based Anonymous Reporting System (Phase III) (WBARS) 8. Enterprise Application Programming Interface (EAPI) Platform |
| New Projects (Since July 2023) | 3 | <ol style="list-style-type: none"> 1. Network Access Control 2. Simplified Customs Declaration for small scale traders through mobile apps (Self Clear) 3. Enterprise Application Programming Interface |

8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Employee Welfare Activities for FY 2024/2025

1. Hiring Processes, procedures and Regulations

a) The Authority's hiring process is governed by the principles of equal opportunity, inclusivity and non-discrimination, in line with the Constitution of Kenya and internal Human resource policies. The process is guided by three key policies:

1. Recruitment, Selection, Appointment and Promotions Policy, and
2. Diversity, Equality and Inclusion (DEI) Policy.
3. Disability Mainstreaming Policy

The policies ensure that recruitment activities are transparent, merit-based, and aligned with constitutional provisions on equity and social justice.

b) In compliance with Articles 54 to 57 of the Constitution:

- The Authority actively promotes gender balance, in line with the two-thirds (2/3) gender rule by ensuring at least 33% male/female representation in shortlists.
- The Authority promotes the progressive realization of representation of the 5% Persons with Disabilities (PWDs) and implements the Disability mainstreaming policy in the hiring process by shortlisting PWD applicants with a valid disability registration certificate, provided they meet the minimum requirements for the job.
- The Authority has specific programmes reserved for youth (18-35 years) which include Industrial Attachment, Internship and graduate trainee program.
- Affirmative action measures are applied to ensure fair representation of the marginalized and minority communities in line with the diversity policy inter alia:
 - Shortlisting of applicants from non-represented ethnic groups if they meet the job requirements.
 - Where multiple applicants across non-represented, under-represented, and over-represented ethnic groups achieve the minimum requirements, giving preference in that order.

Hiring outcomes by gender, age, disability and ethnic representation are tracked against target through periodic reports.

c) The Authority documents stakeholder inputs and considers them during policy reviews incorporating other sources including:

- Legislative or regulatory changes,
- Organizational restructuring or strategic changes
- Identified policy gaps through audits etc. and,
- Stakeholder feedback.

Policy reviews are typically undertaken **every three years**, but may happen sooner when prompted by urgent needs. Through these structured and inclusive practices, the Authority ensures a fair, diverse, and competent workforce that reflects the national values.

2. Employee Welfare Activities

The Authority complies with Occupational Safety and Health Act of 2007 (OSHA) as operationalised by Work Environment Standard Policy. This enhances provision of safety and health for internal and external stakeholders (both male and Female) as follows:

- i) Promoting and maintaining high standards of health and safety of employees, customers and general by;
 - a) conducting sensitizations on regular basis
 - b) Reporting accidents and incidences to Directorate of Occupational Safety and Health (DOSHS) when they occur.
- ii) Ensuring Annual work environment Audits are conducted in the workplaces as follows:
 - a) The Human Resource Division conducts and reports gaps to relevant HoDs to ensure a safe and healthy work environment
 - b) Employees/departments channel their work environment challenges to the Human Resource Division for facilitation as necessary
 - c) The Human Resource Division conducts regular work environment spot checks and submits recommendations for implementation to ensure compliance by relevant departments
 - d) Security and Safety Division reports accidents and incidences to the Directorate of Occupational Safety and Health (DOSHS) when they occur.
- iii) Ensuring utilization of leave entitlement in compliance with the leave management policy as follows:
 - a) Facilitating staff to utilize their annual leave entitlement when it becomes due.
 - b) The Human Resource Division conducts regular staff sensitizations on the importance of leave (*rest to avoid burn out*).

4. Efforts made in improving the rewards systems

- a. The Authority in an effort to improve the rewards system conducted a market salary survey during the year. This is geared towards ensuring that the Authority's salary structure remains competitive through implementation of an enhanced salary package on review and approval by the Salaries and Remuneration Commission.
- b. The Authority also embarked on review of the grading structure from a 10 tier to a 14 tier to enhance career progression thereby improving employee motivation, career growth and retention. This will also help address staff stagnation.

5. Efforts made in improving skills and managing careers

- a. The Authority has continued to optimize human resources capability and capacity through skills enhancement programs for skills that were identified through a skills gap audit conducted during the year. As a result, a Graduate Trainee Conversion program was developed to upskill the officers at various levels.
- b. Career guidelines have been developed which provide a well - defined growth structure that ensures appropriate career planning and succession management.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Statement Purpose:

The Corporate Social Responsibility (CSR) statement is a progress report by Kenya Revenue Authority (KRA) on its efforts to demonstrate its social values initiatives. KRA's corporate sustainability target audience include employees, their families, local communities and society at large. The CSR initiatives are aimed to improve quality of life, the environment and the economy in the long-term. KRA focuses on four strategic pillars namely; **Environment, Health, Education, and Sports.**

This statement highlights KRA's commitment in creating social value in collaboration with both our internal and external partners.

In the financial year 2024/2025, KRA implemented CSR initiatives as follows;

CSR initiatives

1. Environment pillar

- **Tree growing**

In this financial year, KRA planted **409,546** against a target of 285,510 tree seedlings.

KRA in liaison with the Kenya Forest Service, Mombasa Kilindini Community Forest Association (MOKICFA), various Community Forest Associations (CFA) and the National Treasury facilitated the planting and growing of trees as below;

- (a) **104,546** trees at Uplands Forest, Lari – Kiambu County
- (b) **125,000** mangroves at different creek sites in Mombasa County - Dongo Kundu, Mchenjama/Mtongwe & Mtwapa
- (c) **50,000** seedlings in Port Victoria Forest – Busia County,
- (d) **130,000** seedlings in Sorget Forest - Kericho County.

Additionally, KRA supported The 8th Edition of the Kaptagat Forest Annual Tree Growing Event with 1,000 seedlings. The event was held at Kaptagat Girls High School in Elgeyo Marakwet County on 13th July 2024.

2. Education pillar

St. Christine, Kibera

KRA staff visited St. Christine school in Kibera on Saturday, 21st December 2024 and a total of 112 families and students benefited from food stuff. In order to achieve this KRA collaborated with partnered local institutions such as Future Stars Foundation that assisted in mobilizing resources, event coordination on-ground distribution and community liaison.

3. Health pillar

The Health pillar focused on period dignity through the Code Red campaign.

- **Sanitary dignity – Code Red Campaign**

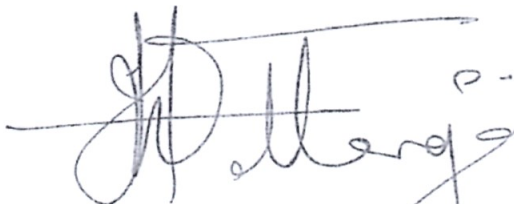
Code Red is an initiative that aims to address the need for menstrual hygiene for women and children. Its primary objective is to supply essential sanitary pads and diapers, fostering a healthier and supportive environment for women and girls.

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This initiative was achieved through staff donations of sanitary towels, diapers and dignity kits to schoolgirls aged between 10-18 years.

4. Sports pillar

KRA sponsored Ladies Captain Golf Tournament on September 21st, 2025 at Sigona Golf Club. This engagement brought together large taxpayers who handle bulk invoices. Over 200 golfers were sensitized on Electronic Tax Invoicing Management System (eTIMS) campaign to facilitate on boarding of all corporate businesses to the scheme.



HUMPHREY WATTANGA
COMMISSIONER GENERAL

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10. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the structure and processes used to direct and manage an organization in order to enhance corporate performance, accountability, fairness and transparency and accountability. It also entails the balancing of the interests of all stakeholders of the organization.

The Kenya Revenue Authority Board of Directors is the governing body of the Authority. The Board of Directors is responsible for the governance of the Authority and is accountable to the Cabinet Secretary, National Treasury to ensure compliance with the Kenya Revenue Authority Act, The Mwongozo Code of Conduct for State Corporations, international best practice and business ethics. The Directors attach great importance to the need to conduct business and operations of the Authority with integrity, professionalism and in accordance with generally accepted international corporate governance practice. The Authority is committed to the implementation of good corporate governance practices as outlined by promotion of ethical leadership, accountability and ensure the sustainability of the organization.

The Board's responsibilities are broadly set out in Section 6 (6) of the Kenya Revenue Act CAP 469 of the Laws of Kenya.

Board Meetings

The Board meets on a monthly basis to review Management performance, including revenue collection, operational issues and future planning. The Directors are given appropriate and timely information to enable them maintain full and effective control over strategic, financial, operational, revenue and compliance issues. All the Directors are independent of Management and free from any business relationship that could materially interfere with the exercise of their independent judgment. In the period under review, the Board held Twelve (12) meetings.

The Board meetings' attendance matrix for the year under review is as follows:

| Name | Designation | Meetings attended |
|--|----------------|-------------------|
| Anthony Ng'ang'a Mwaura | Board Chairman | 6/6 |
| Hon. Ndiritu Muriithi | Board Chairman | 6/6 |
| FCPA Ashif Kassam, OGW | Member | 11/12 |
| Ms. Lydia Rono | Member | 12/12 |
| Mr. Hadi Sheikh Abdullahi | Member | 12/12 |
| FCPA Richard Boro Ndung'u | Member | 12/12 |
| Ms. Amolo Ngw'eno | Member | 3/3 |
| The Attorney General/Representative | Member | 11/12 |
| The Principal Secretary – The National Treasury/Representative | Member | 9/12 |
| The Commissioner General | Member | 12/12 |

Board Committees

The Board had four (4) standing Committees during the period under review, which met regularly under the Terms of Reference set out by the Board.

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Human Resources Committee

The Committee is responsible for monitoring and appraising the performance of Senior Management, reviewing of human resource policies, approval of remuneration policy for employees and making recommendations on Senior Management appointments to the Board. The Committee met six (6) times and its Members were:

- i. Mr. Richard Ndung'u,
- ii. Mr. Hadi Abdullahi,
- iii. The Attorney General and
- iv. Commissioner General

The Committee meetings' attendance matrix for the year under review is as follows:

| Name | Designation | Meetings attended |
|-------------------------------------|-------------|-------------------|
| FCPA Richard Boro Ndung'u | Chairperson | 6/6 |
| Mr. Hadi Sheikh Abdullahi | Member | 6/6 |
| The Attorney General/Representative | Member | 5/6 |
| The Commissioner General | Member | 5/6 |

Finance, Administration and Procurement Committee

The Committee is responsible for review of the Authority's annual budget, Procurement and Disposal Plans and related policies. The Committee met four (4) times and its Members were:

- i. Ms. Lydia Rono,
- ii. The Principal Secretary – The National Treasury
- iii. The Attorney General and
- iv. Commissioner General.

The Committee meetings' attendance matrix for the year under review is as follows:

| Name | Designation | Meetings attended |
|--|-------------|-------------------|
| Ms. Lydia Rono | Chairperson | 4/4 |
| The Principal Secretary – The National Treasury/Representative | Member | 4/4 |
| The Attorney General/Representative | Member | 4/4 |
| The Commissioner General | Member | 0/4 |

Board Audit Committee

The Committee is responsible for review of audit reports, compliance with relevant laws, procedure and standards, quality of financial reporting and oversight on internal control and risk, among others. The Committee assists the Board in discharging its supervisory and good corporate governance responsibilities. The Committee met four (4) times and its Members were:

- i. Mr. Hadi Abdullahi,
- ii. Mr. Richard Ndung'u and
- iii. The Principal Secretary – The National Treasury.

The Committee meetings' attendance matrix for the year under review is as follows:

| Name | Designation | Meetings attended |
|--|-------------|-------------------|
| Mr. Hadi Sheikh Abdullahi | Chairperson | 4/4 |
| FCPA Richard Boro Ndung'u | Member | 4/4 |
| The Principal Secretary – The National Treasury/Representative | Member | 3/4 |

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Revenue, Strategy and Technology Committee

The Committee is responsible for review of the Authority's strategic implementation of the Corporate Plan and Reform Programme. It also serves as a forum to encourage continuous research and review of tax policy proposals; regulatory framework and revenue collection. The Committee met four (4) times and its Members were:

- i. Mr. Ashif Kassam, OGW,
- ii. Mr. Hadi Abdullahi,
- iii. Ms. Amolo Ngw'eno
- iv. The Principal Secretary – National Treasury and
- v. Commissioner General.

The Committee meetings' attendance matrix for the year under review is as follows:

| Name | Designation | Meetings attended |
|--|-------------|-------------------|
| FCPA. Ashif Kassam, OGW | Chairperson | 4/4 |
| Mr. Hadi Sheikh Abdullahi | Member | 4/4 |
| Ms. Amolo Ngw'eno | Member | 1/1 |
| The Principal Secretary – The National Treasury/Representative | Member | 4/4 |
| The Commissioner General | Member | 4/4 |

Board of Trustees

The Authority has a Staff Pension Scheme which is supervised, managed and administered by a Board of Trustees. The Authority as sponsor of the Scheme, is represented by the following Board Members:

- i. The Attorney General
- ii. Mr. Ashif Kassam, OGW
- iii. Ms. Amolo Ngw'eno

Board Matters

| | | |
|---|---|------------------------|
| Attendance to board meetings by members | In the Financial Year 2024/2025: There were twelve (12) full Board Meetings and Eighteen (18) Board Committees Meetings attended by Members. | |
| | Meetings | No. of Meetings |
| | | Scheduled |
| | | Special |
| | Full Board | 12 |
| | Finance, Administration and Procurement Committee | 4 |
| | Human Resources Committee | 4 |
| | Revenue, Strategy and Technology Committee | 4 |
| | Audit Committee | 4 |
| | TOTAL | 28 |
| Succession plan | Appointment is by the President (for the Board Chairman) and Cabinet Secretary – The National Treasury (for Board Members) as per the Kenya Revenue Authority Act Section 6(2)(a) and Section 6(2)(e). Expiry of term is usually communicated to The National Treasury at least 3 months before expiry of Term | |

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| | | | |
|---|---|-----------------|------------------|
| Existence of a board charter | There is an existing Board Charter, which was reviewed and approved by the Board on 14 th June, 2024. | | |
| Process of appointment and removal of directors | As per the Kenya Revenue Authority Act Sections 7 and 8 and the State Corporations Act Section 7. | | |
| Roles and functions of the Board | As per the Kenya Revenue Authority Act Section 6(6). | | |
| Induction and training | <p>The Directors attended the following Workshop:</p> <ul style="list-style-type: none"> Capacity Building Program for Board Chairpersons, Board Members and Chief Executive Officers of Regulatory Authorities (12th to 14th September, 2024) – 2 Directors attended. Tax and Customs Training Workshop on 28th to 29th October, 2024- 6 Directors attended. Audit, Risk Management and Business Continuity Training 3rd and 4th June, 2025 Training Workshop - 6 Directors attended. | | |
| Board and member performance | <p>The Board Performance Self-Assessment for Financial Year 2024/2025 was carried out on 31st July, 2025 and facilitated by the State Corporations Advisory Committee.</p> <p>The evaluation scores were as follows:</p> | | |
| | Name | Position | Score (%) |
| | Hon. Ndiritu Muriithi | Board Chairman | 94.60 |
| | Hon. Dorcas Oduor, AG | Member | 96.00 |
| | Lawrence Kibet Chelimo | Member | 96.00 |
| | Hadi Sheikh Abdullahi | Member | 97.34 |
| | Ashif Kassam | Member | 95.67 |
| | Richard Boro Ndungu | Member | 95.00 |
| | Lydia Cheronon Rono | Member | 96.00 |
| | Humphrey M. Wattanga | Member | 88.00 |
| Conflict of interest | Conflict of interest is declared in all Board and Board Committees Meeting and recorded as part of the proceedings. | | |
| Board remuneration | <p>As per the letter Ref ZZ MOF 131/04 dated 11th February, 2011.</p> <p>Below is a summary of payments per Board Member in KShs.</p> | | |

Board Remuneration

| Board Member Name | Monthly allowance | Sitting Allowance | Accommodation allowance | Consolidated Pay (KShs) |
|---------------------------|-------------------|-------------------|-------------------------|-------------------------|
| Hon Ndiritu Muriithi | 1,525,700.95 | 1,104,152 | 495,113.00 | 3,124,966 |
| Mr. Anthony Nganga Mwaura | 1,313,868.60 | 642,335 | 595,214.00 | 2,551,418 |
| Mr Richard Boro Ndungu | 873,530.40 | 1,864,419 | 1,036,879.00 | 3,774,829 |
| Mr Hadi Sheikh Abdullahi | 873,530.40 | 1,222,846 | 27,500.00 | 2,123,877 |
| Ms Lydia Cheronon Rono | 873,530.40 | 1,223,989 | 628,214.00 | 2,725,734 |
| Mr Ashif Kassam | 873,530.40 | 1,078,194 | 617,214.00 | 2,568,939 |
| Hon. Dorcas Agik Oduor | 873,530.40 | 232,623 | | 1,106,154 |
| Mr Shadrack Mose | | 203,807 | | 203,808 |
| Mr Lawrence Kibet | | 728,020.75 | | 728,021 |
| Dr Chris Kiptoo | | 58,394.10 | | 58,394 |

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| | | | | |
|---------------------------------------|------------------|------------------|------------------|-------------------|
| Mr. Waigi Kamau | | 525,546.90 | | 525,547 |
| Ms. Amolo Ngweno | 218,978.10 | 175,182.30 | | 394,160 |
| Hon. John Mbadi | 873,530.40 | | | 873,530 |
| Travel, Airtime & Conference expenses | | | | 11,180,434 |
| TOTAL | 8,299,730 | 9,059,513 | 3,400,134 | 31,939,811 |

Senior Management Remuneration

| Name | Position | Gross Pay |
|------------------------------|---|--------------------|
| Humphrey Mulongo Wattanga | Commissioner General | 18,950,000 |
| Paul Muema Matuku | Commissioner-Legal & Board Services | 14,400,000 |
| Fred Mugambi Rukaria Mwirigi | Commissioner - KESRA | 14,450,000 |
| Rispah Muthoni Mwangi Simiyu | Commissioner – Large & Medium Taxpayers | 14,247,673 |
| Lilian Anyango Nyawanda | Commissioner - Customs & Border Control | 14,155,500 |
| David Kiprof Sirikwa Yego | Commissioner - Investigations | 10,507,143 |
| Alex Kimani Mwangi | Acting Commissioner - BSTEM | 10,440,900 |
| Nancy Jerono Ng'etich | Acting Commissioner - Shared Services | 10,055,000 |
| George Omondi Obell | Acting Commissioner – Micro & Small Taxpayers | 3,588,000 |
| Levi Mukhweso | Acting Commissioner - Investigations | 3,504,429 |
| | | 114,298,644 |

| Governance audit | The Governance Audit for the Financial Years 2022/2023 and 2024/2025 was conducted in November and December 2024 with an overall score of 94.1%. | | |
|--|--|-------------|-------------|
| Governance Parameter | Percentage | Rating | |
| Ethical Leadership and Strategic Management | 94.5 | 4.70 | Good |
| Transparency and Disclosure | 87.8 | 4.33 | Good |
| Compliance with Laws and Regulations | 80 | 4 | Good |
| Communication with Stakeholders | 96 | 4.8 | Good |
| Board Independence and Governance | 98 | 4.9 | Good |
| Board Policies, systems, Practices and Procedures | 97.9 | 4.89 | Good |
| Consistent Stakeholder and Shareholder Value Enhancement | 94.4 | 4.92 | Good |
| Corporate Social Responsibility and Investment | 92 | 4.6 | Good |
| Sustainability | 97.1 | 4.86 | Good |
| Average | 94.1 | 4.71 | Good |

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11. REPORT OF THE BOARD OF THE DIRECTORS

The Directors submit their report together with the unaudited Revenue Accountability Statements for the year ended June, 2025 which show the state of Kenya Revenue Authority's affairs.

Principal activities

The principal activities of the Authority continue to be assessment and collection of revenue, administration, enforcement of laws relating to and accounting for revenue collected under the relevant Acts.

Results

The results of the Authority for the year ended June, 2025 are set out on pages 49 to 104.

Directors

The Members of the Board who served during the year are shown on page 7 to 15.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



.....
Paul Matuku, EBS
By Order of the Board
Board Secretary

Date: 11th DECEMBER 2025

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12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 82 (1) of the Public Finance Management Act, 2012 requires that, at the end of each quarter and financial year, a receiver of revenue shall prepare an account of the revenue received and collected by the receiver during that financial year. As the collector of revenue, the Kenya Revenue Authority prepares the Revenue Accountability Statement, which give a true and fair view of the state of affairs of the collections at the end of each quarter and the financial year. The Directors are also required to ensure that the Authority keeps proper accounting records, which disclose with reasonable accuracy the collections, by the Authority.

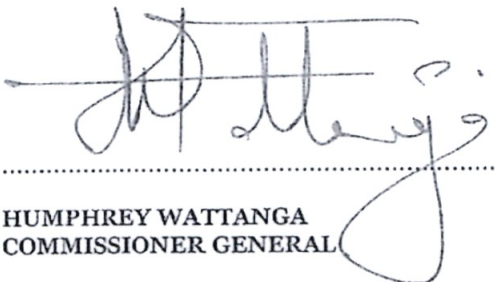
The Directors are responsible for the preparation and presentation of the Authority's Revenue Accountability Statement, which give a true and fair view of the collections by the Authority for the year ended June, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the collections by the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Revenue Accountability statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's Revenue Accountability Statement, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The KRA Act. The Directors are of the opinion that the Authority's Revenue Accountability Statement give a true and fair view of the state of Authority's transactions during the year ended June, 2025. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's Revenue Accountability Statement as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Revenue Accountability Statement

The Authority's Revenue Accountability Statement was approved by the Board on 11th December 2025 and signed on its behalf by:


.....
**HUMPHREY WATTANGA
COMMISSIONER GENERAL**


.....
**HON. NDIRITU MURIITHI
CHAIRMAN**

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2025 - KENYA REVENUE AUTHORITY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS revenue accountability statements set out on pages 49 to 99, which comprise of the statement of financial position as at

Report of the Auditor-General on Revenue Accountability Statements for the year ended 30 June, 2025 – Kenya Revenue Authority.

30 June, 2025, and the statement of financial performance, statement of cash flows and statement of comparison of budget/target and actual amounts by tax head for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional revenue statements present fairly, in all material respects, the financial position of Kenya Revenue Authority-Revenue Accountability Statement as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the Kenya Revenue Authority Act, Cap 469 ; the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Receivables from Non-Exchange Transactions Balance

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.156,653,936,042 as disclosed in Note 20.18(E)(v) to the revenue statements. The balance is in respect of collectible revenue debt aged less than one (1) year. Review of the debt records revealed the following anomalies;

- i. Note 20.19(A) (vi) to the revenue statements reflects total debt of Kshs.2,724,054,087,254 comprising of collectible debts of Kshs.220,585,311,698, doubtful debts of Kshs.2,330,325,438,475, uncollectible debts of Kshs.153,204,356,763 and debt under validation of Kshs.19,938,980,318. Management made a provision for bad debts of 94% of total debt. However, Management has not disclosed its Policy on bad debts.
- ii. Included in the total debt of Kshs.2,724,054,087,254 is revenue debt of Kshs.2,284,203,788,867 that has been outstanding for over three years. Management has attributed the long outstanding debt to various factors which are yet to be resolved.
- iii. Included in the total debt of Kshs.2,724,054,087,254 is Kshs.613,996,626,659 described as un-implemented resolved tax dispute rulings pending updating of taxpayers' ledgers. However, the debt was provided for write off yet it was enforceable.

- iv. The gross debt of Kshs.2,724,054,087,254 includes debt of Kshs.759,237,250,910 migrated from legacy system and indicated as under validation. The Management did not provide a justification of migrating un confirmed data on debt to a system
- v. holding near correct position on debt and thus making the same unreliable.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.156,653,936,042.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Revenue Authority Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in use of Public Resources as analysed in **Appendix 1**. The issues have not been discussed by the Parliamentary Oversight Committee hence they remain unresolved.

Other Information

The Directors are responsible for the other information set out on page 3 to 47 which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Review of Kenya Regulatory and Non-Commercial Enterprises' Performance for the year 2024/25 Management Discussion and Analysis, Environmental and Sustainability Reporting, Corporate Social Responsibility, Corporate Governance Statement, Report of the Board of Directors, and Statement of Directors Responsibilities. The Other Information does not include the revenue accountability statements and my audit report thereon.

In connection with my audit on the Authority's Revenue Accountability statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Loss of Stamps and Excise Duty Revenue

The statement of financial performance reflects revenue from taxes on goods and services of Kshs.1,003,261,620,564 as disclosed in Note 20.3 to the revenue statements. The amount includes actual excise duty receipts of Kshs.286,789,582,646. Review of stock take report for the excise stamps as at 30 June, 2025 revealed a cumulative loss of excise stamps totalling Kshs.23,724,042 at Kenya Revenue Authority Vault – Times Tower as detailed below:

| Loss of Excise Stamps | | | | | |
|-----------------------|-----------------------|------------|-------------------|-------------------------------|--|
| Period Lost | No. of Stamps (Units) | Stamp Code | Stamp Description | Potential Revenue Loss (Kshs) | |
| Prior Years | 9,686,358 | Not Known | Not Known | Not determined | |
| June, 2025 | 400,000 | Not Known | Tobacco | Not determined | |
| October, 2024 | 97,640 | 2011011 | Alcohol Spirits | 11,512,244 | |
| October, 2024 | 24,000 | 2011013 | Alcohol Wine | 8,989,740 | |

Report of the Auditor-General on Revenue Accountability Statements for the year ended 30 June, 2025 – Kenya Revenue Authority.

| Loss of Excise Stamps | | | | |
|------------------------------|------------------------------|-------------------|--------------------------|--------------------------------------|
| Period Lost | No. of Stamps (Units) | Stamp Code | Stamp Description | Potential Revenue Loss (Kshs) |
| October, 2024 | 6,044 | 2011014 | Alcohol Wine | 2,247,435 |
| October, 2024 | 210,000 | 2011021 | Soft Drinks | 1,702,960 |
| October, 2024 | 13,300,000 | 2011022 | Water | 95,826,500 |
| Totals | 23,724,042 | | - | 120,278,879 |

Although the 9,686,358 stamps were recorded as lost in 2023/2024, the loss was not reported to any Investigating Agency. Further, no status report on the Internal investigation was availed and there was no evidence of investigation being undertaken. The 400,000 tobacco stamps indicated as lost in June, 2025 were lost in the previous years but reported in June, 2025. The basis of alleging that they were lost in the previous years was not supported as the stock take reconciliations are undertaken monthly and reported to Management. This shortfall had never been reported in any reconciliation in the alleged prior years. There is no evidence that the loss was being investigated.

In addition, the total of 13,637,684 stamps lost in October, 2024 have not been reported to any Investigating Agency. Internal investigation reports indicated that the losses occurred between 2022 and 2024, a fact which was not supported as they had not been reported. The losses had however not been detected through the monthly stock reconciliations in those years, an indication of weak controls around the receipt and issue of excise stamps thereby occasioning revenue loss.

In the circumstances, value for money on the cost of the excise stamps and subsequent revenue from excise duty lost could not be confirmed.

2. Uncollected Tax from Treasury Undertakings

The statement of financial performance reflects total collections for the year of Kshs.2,449,127,248,925. The amount excludes an amount of Kshs.1,353,255,512 in respect of Treasury Undertakings where the Authority did not collect the taxes from the taxpayers due to the commitment by The National Treasury through the Cabinet Secretary to issue an undertaking to the Authority to pay import duty and Value Added Tax (VAT) for imports on behalf of the taxpayers. Management has indicated that it is in the process of issuing a notification letter to the National Assembly on tax abandonments as per Section 37 F (4) and (5) of the Tax Procedures Act CAP469.

In the circumstances, the regularity of The National Treasury Undertakings could not be confirmed.

3. Issuance of Tax Compliance Certificates (TCCs)

Review of Tax Compliance Certificate (TCC) issuance in six service stations revealed that the Authority issued TCCs to three thousand and fifty-four (3054) taxpayers with outstanding tax liabilities of Kshs.3,124,140,596. The taxpayers had neither objected the tax assessments nor entered into a payment plan. Further, two hundred sixty five (265) TCCs were auto generated from iTax system despite having tax liability. This was contrary to Section 52 of the Tax Procedures Act (TPA), 2015 which state that a TCC may only be issued where a taxpayer has no outstanding tax liability, or where such liability is under active objection/appeal or is covered by an approved and honored payment plan. In cases where payment plans are dishonored, the TCC should be revoked.

In the circumstances, management was in breach of the law

4. Non-Compliance with the Law on Tax Amnesty Programme

Review of the tax amnesty uptake indicated that it was granted on penalties, interest and fines of Kshs.290,485,701 to four thousand, six hundred and seventy-seven (4,677) taxpayers, despite the taxpayers owing the Authority Kshs.4,757,490,465 in outstanding principal taxes, relating to tax periods up to 31 December, 2023. This was contrary to the Tax Procedures (Amendment) Act, 2024, which requires that, to qualify for amnesty, a taxpayer must have either fully paid all principal taxes or have an approved payment plan under which the outstanding principal taxes would be fully settled by 30 June, 2025. Further, a tax amnesty of Kshs.1,288,365,274 was implemented by direct deletion from taxpayer ledgers rather than being offset through credit entries.

In the circumstances, Management was in breach of the law

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Report of the Auditor-General on Revenue Accountability Statements for the year ended 30 June, 2025 – Kenya Revenue Authority.

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Onboard Taxpayers with Affordable Housing Obligation

The statement of financial performance reflects agency collections of Kshs.243,753,178,977 as disclosed in Note 20.12 to the revenue statements. The amount includes collections for housing levy of Kshs.68,925,777,840. Analysis of taxpayer data from itax in respect of Pay As You Earn (PAYE) and Housing Levy deductions revealed that six thousand, three hundred and ninety (6,390) taxpayers were found in the PAYE register but were missing in the Housing Levy records. Management has explained that although the Authority is mandated to collect Affordable Housing Levy, enforcement of the levy is not within its purview.

In the circumstances, the effectiveness of Management collection of Affordable Housing Levy could not be confirmed.

2. Delay in Reconciliation of Domestic Taxes Collections

The statement of financial performance reflects revenue from taxes on income, profits and capital gains of Kshs.930,793,183,082 as disclosed in Note 20.1 to the revenue statements. Included in the amount is Kshs.536,479,653,436 in respect of actual income tax from Corporations. Review of the domestic tax collections supporting schedule revealed that the Authority collected income tax from Corporations amounting to Kshs.23,388,213,302 through CBK direct credits where taxpayers' collections are not updated in their iTax ledger. Management explained that continuous reconciliation is undertaken to allocate the received amounts to the specific taxpayers and that it has established a Ledger Management Unit that is fully dedicated to undertake ledger reconciliations. However, at the time of the audit, the reconciliations had not been concluded.

In the circumstances, the effectiveness of internal controls over updating of taxpayers ledgers could not be confirmed.

3. Weaknesses in Operations at Customs Stations

Audit verification across border and customs stations revealed weaknesses in warehouse management, recordkeeping, operational control, and statutory compliance as detailed below;

- i. Field visit of border stations revealed that goods continued to be held long after gazette notices for auction or destruction were issued or after required actions had

fallen due. Several notices dating back to February 2024 and earlier remained unexecuted.

- ii. Physical inspection of stations warehouses indicated inadequate physical security measures and substandard storage conditions, exposing goods to risks of theft,
- iii. vandalism, and environmental damage. In addition, required approvals for disposal or destruction were in several cases not obtained or documented, resulting in breaches of statutory requirements and internal procedures.
- iv. Temporary import entries could not be traced in the online systems. Further, Regional Transport Management System (RTMS) data reflected one hundred and eighty-six (186) vehicles with multiple entries that lacked exit dates, exit ports, or
- v. outward rotation numbers, hindering proper tracking of vehicle movements and confirmation of collections. In addition, out of seventy (70) temporary imports in one border station, twenty-one (21) vehicles had no recorded exit, and no offences or penalties had been raised.

In the circumstances, the effectiveness of management controls over customs and border operations could not be confirmed.

4. Weaknesses in Compliance Analysis and Assessments

Review of compliance analysis and assessments operations revealed the following weaknesses;

- i. Manual or email request and approval of compliance reviews of taxpayers which were not tracked. Further the emails are not integrated with the iTax system for tracking.
- ii. The service offices did not maintain records of the taxpayers who had been contacted for compliance reviews, those whose reviews were done, those whose cases were closed without additional assessments and evidence and information confirming compliance and a schedule of those reviewed and the actions preferred for each case.
- iii. Assessments were manually communicated with the taxpayers via tax account officers' emails instead of standardized system generated and serialized communication from Itax.
- iv. The service stations did not have a stock of the actual approved actions (compliance reviews, proposed amendments or other preferred actions) at any point in time for purposes of ensuring performance of the same.

- v. The service offices did not maintain a record of tax account officers' daily activity that would result on tax revenue enhancement and monthly reports of actions emanating from each officer and resulting in revenue generation.
- vi. The service stations did not maintain periodic follow up reports of all tax account officers on information provided by other departments for follow-up.

In the circumstances, compliance review, analysis of taxpayers data and assessments of taxpayers process is weak and prone to manipulation leading to revenue loss.

5. Weaknesses in Debt Management Operations

Review of debt records revealed the following weaknesses.

- i. There exist lapses in transfer of debt following conclusion of audits by RAC to normal debt management and enforcement. Management did not explain how they became aware of the debt in absence of period communication of the concluded audit cases which had lapsed 30 days without settlement of the assessed taxes.
- ii. The service stations did not maintain either manual or electronic registers for the demand notices to track their issuance.
- iii. The agency notices were not registered centrally and serially numbered for tracking. Further, documentation of withdrawal of the agency notices process was not designed to facilitate tracking and of the same to ensure existence of audit trails for confirmation of the withdrawal validity.
- iv. Lack of universe debt status database in respect of debts under 14-day notice, under second 7-day notice, under agency notice, under payment plan and any other categorization for purposes of prioritizing action based on the nature of each debt.
- v. The debt reports from iTax revealed inconsistencies in debt balances due to system configuration. This distorts audit trail where debts for specific taxpayers keeps changing based on the date of posting of transactions.

In the circumstances, the effectiveness of management of taxpayer debts could not be confirmed.

6. Lack of Equipment at Customs and Border Point

Physical verification and review of the scanner asset register revealed that Malindi International Airport operates as a designated international point of entry but does not have a functional baggage/cargo scanner or a trained K9 detection unit assigned to customs operations. As a result, officers rely entirely on manual inspections, which are

less effective in detecting concealed prohibited or undeclared goods. There was also no inscription of red and green channels.

Further, consignments were not scanned at Loitoktok Border point when the scanner was reported to be non-operational between September to December, 2024 for a period of four (4) months. During the period, officers the officers reported the breakdown which was not rectified promptly resulting in reliance on manual inspections.

In the circumstances, the effectiveness of management activities in respect to cargo declarations could not be confirmed

7. Importation of Rice using Expired Gazette Notice

During the financial year under review Importation of rice with customs value of Kshs.145,478,375 was granted exemption by The National Treasury via Gazette Notice 14094 of 2023. Gazette notice No.6468 issued on 31 May, 2023 directed that 34,614.5 metric tons of white rice grade 1 milled rice imported pursuant to gazette notice 14094 of 2023 but delayed due to logistical challenges and had landed to be cleared duty free thus exempting payment of import duty of Kshs.50,917,436. However, the exemption was allowed for goods that had been imported into the country without having met the requirement as per gazette notice only to later be regularized.

In the circumstance, the effectiveness of controls on exceptions could not be confirmed.

8. Valuation and Clearing of Imported Goods at the Eldoret Airport

Review of imports through Eldoret International Airport indicated that the airport handled goods valued at Kshs.4,186,337,650 generating customs taxes amounting to Kshs.1,773,185,089. Physical inspection of the customs clearance processes conducted on 06 August, 2025 revealed the following anomalies were noted;

- i. Although packages were opened in the presence of clearing agents or importers by the multiagency team, verification was not in-depth in terms of opening one package at a time, comparison of the declared good against the physical goods stripped, recording of key physical identifiers of the goods including brand, model, serial numbers, and product specifications for purposes of valuations against the corresponding import declarations, physical counts, weights, or measurements to validate the declared quantities. Further, the cargo scanning equipment used lacked the capability to retain scanned images or link them to specific customs entries.
- ii. Invoices amounting to Kshs.4,077,976,200 were declared with consolidators listed both as consignees and buyers, while related consignors in the countries of origin were declared as sellers. Out of the imports, goods with custom value of Kshs.551,791,141, were valued using the transaction determined by the self-

generated and issued invoices value without evidence of market surveillance or price verification against prevailing market rates or reference databases.

- iii. Review of the declared cargo with a customs value of Kshs.4,186,159,392 revealed that the cargo was assessed and valuation determined on free on-board value plus the insurance but without taking into account the freight cost. The provided schedule indicated that the cargo's mode of transport was air.
- iv. Analysis of the imports through Eldoret International Airport revealed that the goods handled with customs value of Kshs.686,147,281 had eleven (11) consignors as the consignees of the imports. However, the specific importers (consignees) income tax and VAT sales did not match the value of good declared. Management indicated that the consignees were consolidators and not actual consignees but did not provide evidence of having obtained the actual consignees information for purposes of undertaking compliance review to confirm payment of relevant taxes based on the information available.
- v. The packing lists and invoices for consignments valued at Kshs.14,799,575, did not indicate specific product descriptions and were instead generalized without specifying make, brand, model, and any other identifying details. Management explained that verification is carried out to identify the goods, there was no evidence provided to confirm the same and physical attendance of the verification confirmed that no additions verification was conducted to confirm accuracy of declarations.

In the circumstances, the accuracy and completeness of the customs revenue of Kshs.1,773,185,089 generated at the airport could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors are responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2025

Appendix 1 Unresolved Prior Year Matters

| S/No | Issue |
|------|---|
| 1 | Non collection of capital gains tax |
| 2 | Unreconciled customs duty (Import duty) |
| 3 | Collection of revenue on Behalf of Nairobi City County Government |
| 4 | Unreconciled domestic taxes collections (CBK direct Credits) |
| 5 | Long Outstanding revenue debt |
| 6 | Unconfirmed cash in transit |
| 7 | Non compliance with Public Sector Accounting Standards Reporting Template |
| 8 | Non compliance with the law on Export and Investment Promotion Levy |
| 9 | Lack of service level agreement for collection of traffic fees |
| | |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2025.

| | Description | Notes | Financial Year 2024- 2025 |
|----------|--|------------------|------------------------------|
| | | | KShs. |
| | Revenue from non-exchange transactions | | |
| | Taxes on Income, Profits and Capital Gains | 20.1 | 930,793,183,082 |
| | Taxes on Property | 20.2 | 261,258,450 |
| | Taxes on Goods and Services | 20.3 | 1,003,261,620,564 |
| | Taxes on International Trade & Transactions | 20.4 | 214,647,503,149 |
| | Other Revenues | | |
| | Betting Tax | 20.5 | 5,276,464,914 |
| | Railway Development Levy | 20.6 | 36,816,489,089 |
| | Export and Investment Promotion Levy | 20.7 | 1,135,212,606 |
| | Other Traffic Revenue | 20.8 | 179,773,990 |
| | Revenue from Exchange transactions | | |
| | Sales of Goods and Services (Traffic Fees) | 20.9 | 1,238,467,263 |
| | Fees on use of Goods/Services (Licences under Traffic Act) | 20.10 | 2,181,735,949 |
| | Surplus Funds | 20.11 | *9,563,350,721 |
| 1 | Total Treasury Collections | | 2,205,355,059,777 |
| | (a) Agency collections | 20.12 | 243,753,178,977 |
| | (b) AIA Revenue (Miscellaneous Revenue) | 20.13 | 19,010,171 |
| 2 | Total Collections for the Year excluding Nairobi County Government Collections | | 2,449,127,248,925 |
| | Nairobi County Government Collections | 20.14 | 583,510,751 |
| | Unallocated Revenue Balance & Excise Stamps | 20.18(E) i & iii | 124,715,380 |
| | Funds available for transfer from prior years & Error corrections/Adjustments | 20.18(E)(iv) | 347,302,574,646 |
| 3 | Total Collections for the year including NCCG & Unallocated Revenue Balance | | 2,797,138,049,702 |
| | Accounted for as follows: | | |
| | Transfers/Disbursements | | |
| | Transfers to Treasury and Fund Accounts | 20.15 | 2,323,696,364,640 |
| | Transfers to Principals | 20.16(A) | 241,331,935,853 |
| | Transfers to KRA (AIA- Miscellaneous Revenue) | 20.16(B) | 18,045,201 |
| | Transfers to County Revenue Fund A/C and related Charges | 20.16(C) | 607,012,605 |
| | Transfers to KRA - Agency commissions and 16%VAT deducted | 20.17 | 4,435,952,107 |
| | Refund Payments | 20.20(A) | 31,485,323,001 |
| | Total Transfers /Disbursement | | 2,601,574,633,407 |
| | Cash in Transit & Receivable /Payables | | *195,563,416,295 |

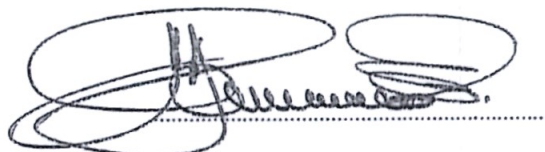
KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

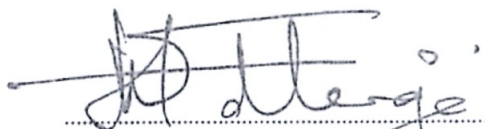
Note:

1. The Statement of Financial Performance reflect gross collections. The amount includes provision for Refunds of Kshs.30.8 billion, Receivable amount of Kshs. 156.7 billion but excludes Surplus funds of Kshs. 193,000,000 remitted directly to The National Treasury in the year ended 30th June,2025.
2. Note 21 (iv) (b) Reflects the breakdown of the Earned Revenue Column figures.
3. *Nairobi County Government Collections are for the period 1st July 2024 to 4th August, 2024. However, the KRA mandate on collections expired on 15th September, 2022. Collections continued to be received in the KRA Accounts to allow for transition of the new County leadership and collections into the County's own revenue collection Accounts. The transition process was concluded on 4th August 2024 and the KRA County Accounts closed accordingly.
4. The collections arise from receipts in KRA Systems (Payment Gateway & Common Cash Receipting System) and Bank statements for direct credits and Unallocated. The Direct credits are transactions remitted to CBK and accounted for under the Tax Head as shown in Appendix (v). While the Unallocated is defined in Note 20.18 (E) i & ii.
5. *Surplus funds exclude Kshs. 193,000,000 remitted directly to The National Treasury in the year ended 30th June,2025.
6. The Cash in Transit & Receivable /Payables of Kshs. 195,563,416,296 in the Statement of Financial Performance differs from Kshs. 213,174,853,441 in the Statement of Financial position by Kshs. 17,611,437,145 being an amount of Outstanding Approved Refunds recognised in the Statement of Financial Positions at 30.06.2025. The amount also excludes Kshs. 102,444,187 held in defunct financial institutions viz Imperial Bank (IL) Kshs. 62,356,841 and Chase Bank (IL) Kshs. 40,087,346 see note 21 (x) (c), whose recoverability is in doubt.
7. Included in the receipts are the prepayments of Kshs. 17,329,325 received during the period and remitted to The National Treasury see note 21 (iv) (a).
8. The total collections excluding Nairobi County Government Collections of Kshs. 2,449,127,248,925.29 excludes Kshs. 309,694,453,953 being collections received in the current Financial year relating to prior periods. Of the Kshs. 309,694,453,953, Kshs. 305,190,834,837 and Kshs. 4,503,619,116 relate to Treasury and Agency Collections respectively.
9. The impact of Tax offsets of Kshs. 47,589,679,078 is that it would have increased revenue had it been paid.
10. The disclosed balances of Kshs. 195,563,416,296 include bank balances which is effectively cashbook balances adjusted for unapplied transactions - see note 21 (x) (b).

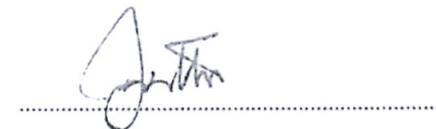
The accounting policies and explanatory notes to these Revenue Accountability Statements set out on pages 59-62 form an integral part of the revenue statements. These revenue statements were approved on 11th DECEMBER 2025 and signed by



CPA JOSEPHAT OMONDI
HEAD OF FINANCE - ICPAK NO. 3473



HUMPHREY WATTANGA
COMMISSIONER GENERAL



HON. NDIRITU MURIITHI
CHAIRMAN.

KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

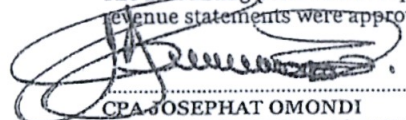
15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025.

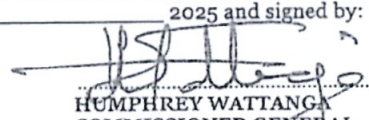
| 1 | Current Assets | Notes | Actual as at 30th June 2025 | Opening Statement 1st July 2024 |
|---|--|------------------|------------------------------------|--|
| | | | KShs | KShs |
| | Cash and Cash Equivalents | | | |
| | a) Closing Balance- Exchequer | 20.18 (A) | 21,989,047,386 | 23,401,522,442 |
| | b) Closing Balance- Agency | 20.18 (B) | 8,820,844,806 | 8,659,431,462 |
| | c) Closing Balance- AIA Revenue | 20.18 (C) | 8,000 | - |
| | d) Closing Balance-Nairobi County Government | 20.18 (D) | - | 23,501,854 |
| | e) Closing Balance- Excise Stamps | 20.18 (E) iii | 175,000 | 292,776 |
| | f) Balance on Unallocated Revenue | 20.18 (E) i & ii | 123,497,324 | 39,690,507 |
| | g) Closing Balance- Payment Accounts | 20.20 (A) | 7,133,844,044 | 4,705,217,873 |
| | Total Cash & Cash Equivalent | | 38,067,416,559 | 36,829,656,914 |
| | Receivables | | | |
| | e-Citizen Receivables | 21 (x) (d) | 842,063,695 | 1,093,487,748 |
| | Receivables from Non-Exchange transactions | 20.18 (E) (v) | 156,653,936,042 | 309,694,453,953 |
| | Total Receivables | | 157,495,999,737 | 310,787,941,701 |
| | Stock of Approved unfunded Refunds | 20.19 (vii) (b) | 17,611,437,145 | - |
| | Total Current Assets | | 213,174,853,441 | 347,617,598,615 |
| 2 | Current Liabilities/Account Payables | | Actual as at 30th June 2025 | Opening Statement 1st July 2024 |
| | The National Treasury | 20.18 (A) | 21,989,047,386 | 23,401,522,442 |
| | Payables to Principals, Commission and 16%VAT | 20.18 (B) | 8,820,844,806 | 8,659,431,462 |
| | AIA Payable to KRA (Miscellaneous) | 20.18 (C) | 8,000 | - |
| | Nairobi County Government | 20.18 (D) | - | 23,501,854 |
| | KRA Imprest Account(Excise Stamps) | 20.18 (E) iii | 175,000 | 292,776 |
| | Balance on Unallocated Revenue | 20.18 (E) i & ii | 123,497,324 | 39,690,507 |
| | Payment Accounts | 20.20 (A) | 7,133,844,044 | 4,705,217,873 |
| | e-Citizen Collections due to Principals | 21 (x) (d) | 842,063,695 | 1,093,487,748.00 |
| | Outstanding Non-Exchange Receipts from Taxpayers | 20.18 (E) (v) | 156,653,936,042 | *309,694,453,953 |
| | Outstanding Approved Unfunded Refunds | 20.19 (vii) (b) | *17,611,437,145 | - |
| | Total Accounts Payables | | *213,174,853,441 | 347,617,598,615 |

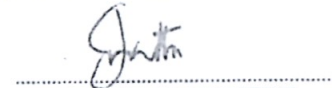
Notes:

- i) The amount of Kshs. 309,694,453,953 relates to prior year collection received in Fy 2024-2025. The opening balances is therefore adjusted to reflect the receivables for FY 2023-24. This amount differs from the 2023/2024 collectible debt amount of Kshs. 101,326,734,723 as a result of new assessments related to prior years and the tax amnesty initiative.
- ii) The cash and cash equivalents/closing balances do not include Kshs. 102,444,187 held in defunct financial institutions viz Imperial Bank (IL) Kshs. 62,356,841 and Chase Bank (IL) Kshs. 40,087,346, see note 21 (x) (c), whose recoverability is in doubt.
- iii) The Cash in Transit & Receivable /Payables of Kshs. 195,563,416,296 in the Statement of Financial Performance differs from Kshs. 213,174,853,441 in the Statement of Financial position by Kshs. 17,611,437,145 being an amount of Outstanding Approved Refunds recognized in the Statement of Financial Position as at 30.06.2025.

The accounting policies and explanatory notes to these Revenue Accountability Statements set out on pages 59-62 form an integral part of the revenue statements. These revenue statements were approved on _____ 2025 and signed by:


 CPA JOSEPHAT OMONDI
 HEAD OF FINANCE - ICPAK NO. 3473


 HUMPHREY WATTANG
 COMMISSIONER GENERAL

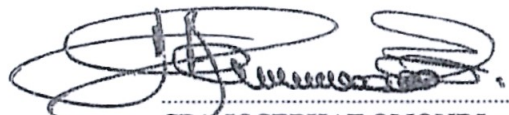

 HON. NDIRITU MURIITHI
 CHAIRMAN.

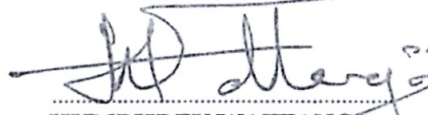
KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

16. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2025

| Description | Note | Financial Year 2024-2025 |
|---|---------------------------------|--------------------------|
| | Kshs | Kshs |
| Receipts | | |
| Operating Activities | | |
| Taxes on Income, Profits and Capital Gains | 20.1 | 840,131,293,815 |
| Taxes on Property | 20.2 | 261,258,450 |
| Taxes on Goods and Services | 20.3 | 941,741,920,466 |
| Taxes on International Trade & Transactions | 20.4 | 210,175,156,472 |
| Betting Tax | 20.5 | 5,276,464,914 |
| Railway Development Levy | 20.6 | 36,816,489,089 |
| Export and Investment Promotion Levy | 20.7 | 1,135,212,606 |
| Other Traffic Revenue | 20.8 | 179,773,990 |
| Sales of Goods and Services (Traffic Fees) | 20.9 | 1,238,467,263 |
| Less: Adjustment for e-Citizen collections due from National Treasury | 20.10 | 2,181,735,949 |
| Net Cash from operating activities | 20.11 | 9,563,350,721 |
| Cash and Cash Equivalent as at 1 st July 2024 | 21 (iv) (a) | 309,694,453,953 |
| Other Revenues: | | |
| Agency collections | 20.12 | 243,753,178,977 |
| AIA Revenue (Miscellaneous Revenue) | 20.13 | 19,010,171 |
| Nairobi County Government Collections | 20.14 | 583,510,751 |
| Unallocated Revenue Balance & Excise Stamps | 20.18(E) i & iii | 124,715,380 |
| Total Receipts | | 2,602,875,992,967 |
| Payments | | |
| Transfers to Treasury and Fund Accounts | 20.15 | 2,323,696,364,640 |
| Transfers to Principals | 20.16(A) | 241,331,935,853 |
| AIA-Revenue | 20.16(B) | 18,045,201 |
| Transfers to County Revenue Fund A/C and related Charges | 20.16(C) | 607,012,605 |
| Agency commissions & 16% VAT | 20.17 | 4,435,952,107 |
| Refund Payments | 20.20(A) | 31,485,323,001 |
| Total Payments | | 2,601,574,633,406 |
| Cash from operating Activities | | 1,301,359,561 |
| Less: Adjustment for e-Citizen collections due from National Treasury | 21 (x) (d) | (842,063,695) |
| Net Cash from operating activities | | 459,295,866 |
| Cash and Cash Equivalent as at 1 st July 2024 | 20.18 (E) (iv) | 37,608,120,694 |
| Cash and Cash Equivalent as at 30th June, 2025 | Note 21 Appendix (x) (a) | 38,067,416,560 |

The accounting policies and explanatory notes to these Revenue Accountability Statements set out on pages 59-62 form an integral part of the revenue statements. These revenue statements were approved on 11TH DECEMBER 2025 and signed by:


CPA JOSEPHAT OMONDI
HEAD OF FINANCE - ICPAK NO. 3473


HUMPHREY WATTANGA
COMMISSIONER GENERAL


HON. NDIRITU MURIITHI
CHAIRMAN.

KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

17. STATEMENT OF COMPARISON OF BUDGET/ TARGET AND ACTUAL AMOUNTS BY TAX HEAD FOR THE YEAR ENDED 30TH JUNE, 2025.

| Tax Head | Original Budget | Adjustments | Final Budget | Financial Year 2024-2025 | % Realized | Financial Year 2023-2024 | Year on year Growth |
|--|--------------------------|-------------------------|--------------------------|--------------------------|-------------|--------------------------|---------------------|
| | Kshs | Kshs | Kshs | Kshs | | Kshs | % |
| Collections | | | | | | | |
| Treasury collections | | | | | | | |
| Taxes on Income, Profits and Capital Gains | | | | | | | |
| Income Tax from Individuals (PAYE) | 606,800,771,000 | (40,199,990,864) | 566,600,780,136 | 560,962,501,608 | 99% | 543,188,161,942 | 3% |
| Income Tax from Corporations | 555,127,369,000 | 16,405,320,209 | 571,532,689,209 | 530,242,223,033 | 93% | 497,174,207,322 | 7% |
| Capital Gain Tax | 7,898,169,000 | (2,122,940,061) | 5,775,228,939 | 6,237,191,978 | 108% | 8,380,999,876 | -26% |
| Sub totals | 1,169,826,309,000 | (25,917,610,716) | 1,143,908,698,284 | 1,097,441,916,619 | 96% | 1,048,743,369,140 | 5% |
| Taxes on Property | | | | | | | |
| Rent of Land(Land rent) | - | - | - | 92,317,487 | - | 110,950,992 | -17% |
| Sub totals | - | - | - | 92,317,487 | - | 110,950,992 | -17% |
| Taxes on Goods and Services | | | | | | | |
| Receipt from VAT on Domestic Goods and Services | 372,929,898,000 | (12,300,093,789) | 360,629,804,211 | 357,336,069,432 | 99% | 344,270,061,417 | 4% |
| VAT on Imported Goods and Services | 380,852,793,657 | (50,880,561,574) | 329,972,232,083 | 332,544,096,475 | 101% | 331,522,212,344 | 0% |
| Anti-adulteration Levy | 4,547,158,329 | (3,546,287,349) | 1,000,870,980 | 890,878,068 | 89% | 795,157,218 | 12% |
| Excise Taxes | 325,242,111,452 | (27,579,998,090) | 297,662,113,362 | 298,242,779,598 | 100% | 281,189,794,991 | 6% |
| Export and Investment Promotion Levy | - | - | - | 1,135,212,606 | - | 344,300,650 | - |
| Sub totals | 1,083,571,961,438 | (94,306,940,802) | 989,265,020,636 | 990,149,036,179 | 100% | 958,121,526,619 | 3% |
| Taxes on International Trade & Transactions | | | | | | | |
| Customs Duties(Import duty) | 157,217,713,505 | (3,540,260,600) | 153,677,452,905 | 157,977,885,405 | 103% | 133,448,662,626 | 18% |
| Import Declaration and Inspection fees | 63,622,690,894 | (6,344,675,058) | 57,278,015,836 | 52,375,180,931 | 91% | 53,288,906,592 | -2% |
| Sub totals | 220,840,404,399 | (9,884,935,658) | 210,955,468,741 | 210,353,066,336 | 100% | 186,737,569,218 | 13% |
| Other Taxes Not Classified Elsewhere | | | | | | | |
| Stamp duty | - | - | - | 172,047,198 | - | 5,091,624,728 | -97% |
| Sub totals | - | - | - | 172,047,198 | - | 5,091,624,728 | -97% |
| Surplus Funds | - | - | - | 9,563,350,721 | - | 10,273,414,355 | -7% |
| Sub totals | - | - | - | 9,563,350,721 | - | 10,273,414,355 | -7% |
| Sale of goods and Services (Traffic Revenue) | | | | | | | |
| Second Hand Motor Vehicle Tax | 256,885,422 | (51,428,034) | 205,457,388 | 3,600,157,174 | 108% | 4,406,264,350 | -18% |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30th JUNE 2025

| Tax Head | Original Budget | Adjustments | Final Budget | Financial Year 2024-2025 | % Realized | Financial Year 2023-2024 | Year on year Growth |
|--|--------------------------|--------------------------|--------------------------|--------------------------|-------------|--------------------------|---------------------|
| | Kshs | Kshs | Kshs | Kshs | | Kshs | % |
| Licences under Traffic Act | 2,332,877,511 | (453,100,552) | 1,879,776,959 | | | | |
| Fees under Traffic Act | 2,257,502,237 | (1,021,154,643) | 1,236,347,594 | | | | |
| Sub totals | 4,847,265,170 | (1,525,683,229) | 3,321,581,941 | 3,600,157,174 | 108% | 4,406,264,350 | -18% |
| Railway Development Levy | | - | | | | | |
| Other Receipts not Classified elsewhere(RDL) | 25,217,000,000 | - | 25,217,000,000 | 36,820,161,586 | 146% | 32,023,920,739 | 15% |
| Sub totals | 25,217,000,000 | - | 25,217,000,000 | 36,820,161,586 | 146% | 32,023,920,739 | 15% |
| Betting Taxes | 4,899,243,000 | 595,336,284 | 5,494,579,284 | 5,699,905,273 | 104% | 4,671,142,639 | 22% |
| Sub totals | 4,899,243,000 | 595,336,284 | 5,494,579,284 | 5,699,905,273 | 104% | 4,671,142,639 | 22% |
| Total Treasury Collections | 2,509,202,183,007 | (131,039,834,121) | 2,378,162,348,886 | 2,353,891,958,573 | 99% | 2,250,179,782,780 | 5% |
| Agency collections | | | | | | | |
| Airport Revenue | 19,350,850,276 | - | 19,350,850,276 | 18,026,019,411 | 93% | 16,970,444,395 | 6% |
| Aviation Revenue | - | - | - | 74,219,760 | - | 684,220,363 | -89% |
| Petroleum Development Fund | 30,845,564,284 | 8,000,000 | 30,853,564,284 | 26,373,390,397 | 85% | 24,158,098,791 | 9% |
| Road Maintenance Levy | | | | | | | |
| Road Maintenance Levy Annuity Fund | 16,187,000,000 | (2,100,000,000) | 14,087,000,000 | | | | |
| Road Maintenance Levy | 68,336,000,000 | 2,211,000,000 | 70,547,000,000 | 119,662,011,868 | 141% | 79,278,686,629 | 51% |
| Subtotal -Road Maintenance Levy | 84,523,000,000 | 111,000,000 | 84,634,000,000 | 119,662,011,868 | 141% | 79,278,686,629 | 51% |
| K.A.A. Concession Fees | 185,007,956 | - | 185,007,956 | 167,233,974 | 90% | 167,983,128 | - |
| Road Transit Toll Levy | 1,200,000,000 | 100,000,000 | 1,300,000,000 | 1,952,122,507 | 150% | 2,068,280,186 | -6% |
| Sugar Levy | - | - | - | - | - | - | - |
| Petroleum Regulatory Levy | 2,012,562,593 | - | 2,012,562,593 | 3,642,508,847 | 181% | 1,965,564,442 | 85% |
| Merchant Superintendent Shipping Levy | 2,410,329,148 | - | 2,410,329,148 | 2,051,312,230 | 85% | 2,141,088,302 | -4% |
| KEBS Levy | 658,457,000 | 1,421 | 658,458,421 | 703,234,165 | 107% | 607,597,795 | 16% |
| Traffic Fees-Agency | 373,519,740 | - | 373,519,740 | 474,408,282 | 127% | 335,250,780 | 42% |
| Housing Levy | 63,219,999,000 | 1,468,538,398 | 64,688,537,398 | 73,198,337,342 | 113% | 54,159,008,522 | 35% |
| Solatium Compensation Contribution | - | - | - | 425,867,063 | - | 261,788,280 | - |
| NITA Levy | 1,344,182,000 | 1,507 | 1,344,183,507 | 1,506,132,247 | 112% | 1,231,407,784 | 22% |
| AIA Revenue (Miscellaneous) | 18,441,144 | (7,247,249) | 11,193,895 | 19,010,171 | 170% | 13,486,180 | 41% |
| Sub-totals (Agency , AIA Revenue & NITA Levy) | 206,141,913,140 | 1,680,294,077 | 207,822,207,217 | 248,275,808,264 | 119% | 184,042,905,577 | 35% |
| Total Revenue Collections(Gross) | 2,715,344,096,147 | (129,359,540,044) | 2,585,984,556,103 | 2,602,167,766,837 | 101% | 2,434,222,688,357 | 7% |

Note: Statement of Comparison of Budget/ Target and actual amounts by tax head reflect gross collections. The amount includes provision for Refunds of Kshs.30.8 billion but excludes Surplus Funds of Kshs. 193,000,000 remitted directly to The National Treasury in the year ended 30th June,2025.

Explanatory Notes

The gross collection for the year ended 30th June 2025 was Kshs. 2,602 billion against a target of Kshs. 2,586 billion reflecting a performance of 101%. The performance is attributed to above target performances on oil taxes particularly from Road Maintenance Levy, Railway Development Levy and Petroleum Regulatory Levy, among others. The performance would have been further boosted by Kshs. 47,589,679,078 representing tax offsets effected during the year. However, notable performance areas were as follows;

- i. Taxes on Income, Profits and Capital Gains performed at Kshs 1,097 billion against a target of Kshs 1,144 billion, with a performance of 96%. The performance is attributed to the following;

Income Tax from Individuals (PAYE & WCPS) performed at Kshs 561 billion against a target of Kshs 567 billion, a performance of 99%. This performance is due to below target remittances by the private sector, particularly utilisation of refunds to offset PAYE tax liabilities worth Kshs 10.4 billion by a number of firms, drop in payment of bonuses, policy impact on adjusting SHIF and Housing Levy from a relief regime to allowable deduction before tax computation, and a marginal growth of average monthly cash pay per employee in the Educational, Real Estate, Professional and Scientific, Manufacturing, Electricity, Construction, Transport and storage sectors, among others.

Income Tax from Corporations performed at Kshs 530 billion against a target of Kshs 572 billion, a performance of 93%. This performance is mainly attributed to declined instalment remittances from the main sectors such as Agriculture, Transport & Storage, Mining & Quarrying and Professional activities by 9.9%, 35.9%, 41.9% and 11% respectively. Specifically, Transport sector experienced declined 2nd instalment and balance of tax remittances by Public Sector players occasioned by declined passenger movement, freight and revenue on the Standard Gauge Railway, declined cargo imports and subdued customer demands. On the other hand, Mining and quarrying was affected by declined mineral production, while Professional and Technical Activities sector experienced declined disposable income. Further, utilisation of adjustment vouchers amounting to Kshs 29 billion to offset Corporate tax liabilities by corporates across the sectors affected performance on this item even as remittances on Withholding Incomes Taxes was affected by the accumulation of pending bills affecting payment to supplies, with a revenue implication of Kshs 10.8 billion.

Capital Gains Tax performed at Kshs. 6.2 billion against a target of Kshs. 5.8 billion registering a performance rate of 108%. This performance is attributed to increased property disposable sales.

- ii. Taxes on properties (Land Rent) performed at Kshs 92 million during the year ended 30th June, 2025. The collection on this item had been transferred to the Ministry of Lands with no target assigned to the Authority.
- iii. Taxes on Goods and Services performed at Kshs 990 billion against a target of Kshs 989 billion, with a performance of 100%. The performance is attributed to;

VAT on Domestic Goods and Services performed at Kshs 357 billion against a target of Kshs 361 billion, a performance of 99%. The performance was impacted by business activity slowdown earlier in the year amid deterioration of the operating environment characterised by protests that affected trade. Specifically, government austerity measures impacted on hotel bookings in the Accommodation sector, a dip in government spending on development projects led to a slowdown in economic activity and job creation, with Finance, Insurance, Transport, Professional, Scientific, Electricity, Oil and Gas sectors experiencing declined demands for goods and Services that attract VAT.

VAT on Imported Goods and Services registered a performance of Kshs. 333 billion against a target of Kshs. 330 billion, a performance rate of 101%. This is mainly attributed to growth in non-oil import values by 5% within the financial year and declined exemptions on main products such as sugar, rice, ethyl alcohol, among others.

Anti-Adulteration levy performed at Kshs 0.9 billion against a target of Kshs 1 billion, a performance of 89%. The performance is attributed to a decline in oil import values by 10.2% driven by appreciation of the Kenyan Shilling against the dollar.

Excise Taxes performed at Kshs 298 billion against a target of Kshs 298 billion, a performance of 100%, which was within range.

Export and Investment Levy registered a performance of Kshs 1.1 billion with no target assigned to the Authority.

- iv. Taxes on International Trade & Transactions performed at Kshs 210 billion against a target of Kshs 210 billion, with a performance of 100%. The performance is attributed to positive performance on Customs Import duty at Kshs 158 billion against a target of Kshs 154 billion, a performance of 103% attributed to growth in overall non-oil import values by 5% thereby cushioning the performance on this category despite below target performance on Import Declaration and Inspection Fees.

The performance on Import Declaration and Inspection Fees was Kshs. 52 billion against a target of Kshs. 57 billion resulting to a performance of 91%, which is attributed to bulk cargo imports decline by 7.4%.

- v. Other Taxes (Stamp Duty) performed at Kshs. 172 million. The collection of this revenue was handed back to the Ministry of Lands with effect from November, 2023.
- vi. Surplus Funds registered a collection of Kshs 9.6 billion. No target was assigned to the Authority.
- vii. Sale of goods and Services (Traffic Revenue) registered a collection of Kshs 3.6 billion against a target of Kshs. 3.3 billion, a performance rating of 108%. This performance was attributed to intensified mobilisation campaigns on adoption of smart Driving licences and increase in new Motor Vehicle registrations.

- viii. Railway Development Levy performed at Kshs. 37 billion against a target of Kshs 25 billion, a performance rating of 146%. This performance is attributed to increased rate from 1.5% to 2% with effect from 27th December, 2024.
- ix. Betting taxes performed at 104% with a collection of Kshs. 5.7 billion against a target of Kshs. 5.5 billion. This is attributed to increased sporting activities such as major European league games that were concluded between August, 2024 and May, 2025, Euro games concluded in June, 2025 and the current club world cup games.
- x. Agency & A.I.A collections registered a performance of 119% during the year ended 30th June 2025. This performance was due to positive performances on Road Maintenance Levy, Road Transit Toll Levy, Petroleum Regulatory Levy, KEBS Levy, Traffic Fees (Agency), Housing Levy and NITA of 141%, 150%, 181%, 107%, 127%, 113% & 112% respectively. The performance in oil related items is attributed to overall growth in oil volumes by 13% while that on Road Maintenance Levy was further boosted by increased rate on fuel from Kshs 18/Litre to Kshs 25/Litre. KEBS, NITA and Housing Levy performances are as a result of intensified follow-ups on compliance.

On the other hand, Airport revenue, KAA Concession Fees and Merchant Superintendent Shipping Levy registered underperformances of 93%, 90% and 85% respectively due to declines recorded on passenger and Freight movement. Petroleum Development Fund/ Levy performance of 85% is attributed to decline in oil import values by **10.2%**.

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18. STATEMENT OF COMPARISON OF BUDGET/ TARGET AND ACTUAL AMOUNTS BY DEPARTMENT FOR THE YEAR ENDED 30TH JUNE, 2025.

| Departments | Target - Treasury | Actual Receipts for the year ended 30th June 2025 | % target realized | Actual Receipts for the year ended 30th June 2024 | Year on year Growth |
|---|--------------------------|---|-------------------|---|---------------------|
| | KShs | KShs | % | KShs | % |
| Revenue collection | | | | | |
| Treasury collections | | | | | |
| Customs Services Department | 689,621,689,836 | 706,935,552,720 | 103% | 663,484,530,793 | 7% |
| Domestic Taxes Department | 1,654,319,077,109 | 1,612,528,248,679 | 97% | 1,551,628,987,637 | 4% |
| Traffic Revenues | 3,321,581,941 | 3,600,157,174 | 108% | 4,406,264,350 | -18% |
| Total Treasury collections | 2,347,262,348,886 | 2,323,063,958,573 | 99% | 2,219,519,782,781 | 5% |
| Provision for Refunds (CSD) | 900,000,000 | 828,000,000 | 92% | 660,000,000 | - |
| Provision for Refunds (DTD) | 30,000,000,000 | 30,000,000,000 | 100% | 30,000,000,000 | - |
| Gross Treasury collections | 2,378,162,348,886 | 2,353,891,958,573 | 99% | 2,250,179,782,780 | 5% |
| Agency collections | | | | | |
| Customs Services Department | 140,757,508,151 | 172,393,696,228 | 122% | 127,709,640,696 | 35% |
| Domestic Taxes Department | 66,691,179,326 | 75,407,703,754 | 113% | 55,998,014,101 | 35% |
| Traffic Revenues | 373,519,740 | 474,408,282 | 127% | 335,250,780 | 42% |
| Total Agency collections | 207,822,207,217 | 248,275,808,264 | 119% | 184,042,905,577 | 35% |
| Total Revenue Collections(Gross) | 2,585,984,556,103 | 2,602,167,766,837 | 101% | 2,434,222,688,357 | 7% |

Note: Statement of Comparison of Budget/ Target and actual amounts by Department for the year ended 30th June, 2025 reflect gross collections. The amount includes provision for Refunds of Kshs.30.8 billion but excludes a Surplus Funds of Kshs. 193,000,000 remitted directly to The National Treasury in the year ended 30th June, 2025.

19. NOTES TO THE FINANCIAL STATEMENTS

1) Reporting Entity

The Kenya Revenue Authority has prepared the Revenue Accountability Statements as the collector for the Receiver(s) of Revenue.

2) Statement of Compliance and Basis of Preparation

The Revenue Accountability Statements comply with the requirements of the Public Financial Management Act of 2012 and has been prepared taking advantage of the phased transition into Accrual based accounting with effect from the preparation of the annual 2024-2025 Revenue Accountability Statement. The main provisions and exemptions areas have been outlined in the table below;

Table 1: Transitional Provisions and Exemptions applied in continued IPSAS Accrual Accounting adoption in line with IPSAS 33

| IPSAS & Paragraph | Requirements | Specific areas/Statement | | Remarks |
|-------------------|---|---|---|--|
| | | Exemptions | Provisions | |
| IPSAS 33,Para 136 | Where a first-time adopter takes advantage of the transitional exemptions in this IPSAS, the first-time adopter shall disclose (a) The extent to which it has taken advantage of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs; and/or (b) The extent to which it has taken advantage of the transitional exemptions that do not affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs | See below disclosures | | See below disclosures |
| IPSAS 33,Para 4 | This Standard permits a first-time adopter to apply transitional exemptions and provisions that may impact fair presentation. Where these transitional exemptions and provisions are applied, a first-time adopter is required to disclose information about the transitional exemptions and provisions adopted, and progress towards fair presentation and compliance with accrual basis IPSASs. | <ul style="list-style-type: none"> i) Statement of Target Vs Actual Performance by Tax Head. ii) Statement of Target Vs Actual Performance by Department iii) Appendices - (Statement of Target Vs Actual Performance by Department) | | The National government budget/Target setting is cash based and therefore determining performance against the target has been retained on cash basis, until the government changes the Target setting basis. |
| IPSAS 33,Para 15 | A first-time adopter shall prepare and present an opening statement of financial position at the date of adoption of IPSASs. This is the starting point for its accounting in accordance with accrual basis IPSASs. | <ul style="list-style-type: none"> i) Statement of Target Vs Actual Performance by Tax Head. ii) Statement of Target Vs Actual Performance by Department iii) Appendices - (Statement of | <ul style="list-style-type: none"> iv) No comparatives have been provided except for Statement of Financial position, Statement of Outstanding/debt/Revenue, closing balances, Outstanding Refunds & Statement of Waivers and Tax Variations, Statement of Target Vs Actual Performance by Tax Head, | In compliance with the format provided by the Public Sector Accounting Standard Board and in realization that prior statements were prepared on Cash basis. |
| IPSAS 33,Para 145 | If an entity did not present financial statements for previous periods, its transitional IPSAS financial statements or its first IPSAS financial statements shall disclose that fact | | | |
| IPSAS 33,Para 13 | An entity's transitional IPSAS financial statements are the annual financial statements in which an | | | |

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| IPSAS & Paragraph | Requirements | Specific areas/Statement | | Remarks |
|-------------------|---|---|---|---------|
| | | Exemptions | Provisions | |
| | entity transitions to accrual basis IPSASs and adopts certain exemptions in this IPSAS that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs. If a first-time adopter adopts the exemptions in this IPSASs that affect fair presentation and compliance with accrual basis IPSASs (see paragraphs 36–62), it will not be able to make an explicit and unreserved statement of compliance with other accrual basis IPSASs until the exemptions that provided the relief in this IPSAS have expired and/or when the relevant items are recognized, measured and/or the relevant information has been presented and/or disclosed in accordance with the applicable IPSASs (whichever is earlier). Financial statements shall not be described as complying with IPSASs unless they comply with all the requirements of all the applicable IPSASs. | Target Vs Actual Performance by Department) | Statement of Target Vs Actual Performance by Department | |
| IPSAS 33,Para 42 | A first-time adopter is not required to change its accounting policy in respect of the recognition and measurement of non-exchange revenue for reporting periods beginning on a date within three years following the date of adoption of IPSASs. A first-time adopter may change its accounting policy in respect of revenue from non-exchange transactions on a class-by-class basis. | Earned revenue not paid for are the best estimates determined by the respective departments as due for the year of reference. | | |

The Revenue Accountability Statements are presented in Kenya Shillings (Kshs), being the currency of legal tender in Kenya that is the functional and reporting currency of the Government of Kenya.

3) Adoption of New and Revised Standards.

- i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

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| Standard | Effective date and impact: |
|----------------------|--|
| IPSAS 47- Revenue | <p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The standard will have low impact on the Revenue Accountability Statements of the Authority and will involve the re-categorization of the various revenues to the recommended accounting model.</i></p> |

ii) Early transitional adoption of standard

The Kenya Revenue Authority has in continued adoption of IPSAS accrual Accounting prepared the financial year 2024-2025 Revenue Accountability Statement with the provisions and exemptions stated herein to take advantage of the phased approach of implementation.

4) Reporting periods

The Government of Kenya Fiscal Year runs from 1st July to 30th June, 2025. The Revenue Accountability Statements covers the period 1st July 2024 to 30th June, 2025. There are no comparative figures since this is the first-time transitional adoption of accrual basis of International Public Sector Accounting Standards.

5) Significant Accounting Policies

The Revenue Accountability Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated:

a) Revenue

i. Revenue from non-exchange Transactions

Revenue from taxes, fines, penalties and is recognized when the taxable event occurs and the asset recognition criteria is met. Revenue billed/Tax assessed during the period but not yet collected is reported as a receivable in the statement of Revenue Performance and also recorded in the Statement of financial position.

ii. Revenue from exchange Transactions

The items classified under Sale of Goods and Services (Traffic Fees), Fees on use of Goods and Services (Licences under Traffic Act) Property Income Tax (Surplus Funds) have been categorized as revenue from exchange transactions in harmony with the receiver of Revenue classification/format but it does not bestow any responsibility on the Authority to render any services to the payer.

b) Budget/Target

The budget/Target is developed on the cash basis, the same accounts classification basis, and for the same period as these revenue statements. The revenue budget was approved as required by law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level

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assessment of the revenue's actual performance against the comparable budget for the financial year under review has been included in these revenue statements. All actual revenue received were therefore compared to the budget/Target for comparability purposes.

c) Revenue Debt

Revenue debt relates to Revenue billed/assessed but yet to be collected or received. These are disclosed in the Statement of Revenue Debt.

d) Transfers

The transfers relates to payments made from the collection accounts to the Treasury receiver of revenue account. It also related to transfers made to the various principals.

e) Agency funding

The Authority receives an allocation from The National Treasury as determined by the Cabinet Secretary each year, not exceeding 2% of the revenue estimated in the Financial Estimates for each financial year to be collected by the Authority. This is the main source of revenue for recurrent expenditure of KRA.

In addition, the Authority also charges a commission of 2% on collections made on behalf of other principals. The commission is deducted at source plus 16% VAT thereon before remittance to the principals.

f) Cash and equivalents

Cash and equivalents comprises of cash in transit both at the Agent commercial banks and Central Bank of Kenya.

g) Comparative Figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

h) Subsequent events

There have been no events subsequent to the financial year with a significant impact on the Revenue Accountability Statements for the year ended 30th June, 2025.

20. NOTES TO THE REVENUE ACCOUNTABILITY STATEMENT

20.1 Taxes on Income, Profits and Capital Gains

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|---|--|---|------------------------|
| | | KShs | KShs | KShs |
| 1 | Income Tax from Individuals (PAYE& WCPS) | 54,822,783,998 | 522,146,425,748 | 576,969,209,746 |
| | Subtotal | 54,822,783,998 | 522,146,425,748 | 576,969,209,746 |
| 2 | Income Tax from Corporations | | | - |
| | a) Other Income Taxes | 32,895,427,799 | 299,460,777,817 | 332,356,205,616 |
| | b) Turnover Tax | 62,739,021 | 329,753,296 | 392,492,317 |
| | c) Capital Gains Tax | 1,581,563,851 | 5,263,620,869 | 6,845,184,720 |
| | d) Rental Income | 1,234,019,380 | 12,177,834,407 | 13,411,853,787 |
| | e) Digital Service Tax (DST) | 8,776,525 | 291,794,352 | 300,570,877 |
| | f) Significant Economic Presence Tax(SEP) | 56,578,693 | 461,087,327 | 517,666,020 |
| | Subtotal | 35,839,105,269 | 317,984,868,067 | 353,823,973,336 |
| | Total | 90,661,889,267 | 840,131,293,815 | 930,793,183,082 |

20.2 Taxes on Property

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|--------------|--|---|--------------------|
| | | KShs | KShs | KShs |
| 1 | Land Rent | | 89,217,253 | 89,217,253 |
| 2 | Stamp Duty | | 172,041,198 | 172,041,198 |
| | Total | - | 261,258,450 | 261,258,450 |

20.3 Taxes on Goods and Services

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|---|--|---|--------------------------|
| | | KShs | KShs | KShs |
| 1 | VAT on Domestic Goods and Services | 60,203,593,454 | 321,585,172,405 | 381,788,765,859 |
| 2 | VAT on Imported Goods and Services | | | - |
| | a) VAT - Imports(General Rate) | | 332,476,287,348 | 332,476,287,348 |
| | b) Anti-adulteration Levy | | 890,878,068 | 890,878,068 |
| | SubTotals | 60,203,593,454 | 654,952,337,821 | 715,155,931,275 |
| 3 | Excise Receipts (Air time + domestic + import+Fin.services) | | | - |
| | a) Gross Excise Duty | | 125,998,741,513 | 125,998,741,513 |
| | b) Excise Duty Domestic | 1,316,106,643 | 65,823,877,543 | 67,139,984,187 |
| | c) Excise Tax on Airtime | | 36,060,766,811 | 36,060,766,811 |
| | d) Excise Tax on Money Transfer | | 46,097,941,816 | 46,097,941,816 |
| | e) Excise Tax on Betting | | 12,808,254,962 | 12,808,254,962 |
| | SubTotals | 1,316,106,643 | 286,789,582,646 | 288,105,689,289 |
| | Total | 61,519,700,097 | 941,741,920,466 | 1,003,261,620,564 |

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20.4 Taxes on International Trade & Transactions

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|---|--|---|------------------------|
| | | KShs | KShs | KShs |
| 1 | Customs Duties(Import Duty) | | 157,805,075,580 | 162,277,422,257 |
| 2 | Other Taxes on International Trade and Transactions (IDF Fee) | 4,472,346,677 | 52,370,080,892 | 52,370,080,892 |
| | Total | 4,472,346,677 | 210,175,156,472 | 214,647,503,149 |

20.5 Betting Tax

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|--------------|--|---|----------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Betting Tax | - | 5,276,464,914 | 5,276,464,914 |
| | Total | - | 5,276,464,914 | 5,276,464,914 |

20.6 Railway Development Levy

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|--------------------------|--|---|-----------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Railway Development Levy | - | 36,816,489,089 | 36,816,489,089 |
| | Total | - | 36,816,489,089 | 36,816,489,089 |

20.7 Export and Investment Promotion Levy

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|--------------------------------------|--|---|----------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Export and Investment Promotion Levy | - | 1,135,212,606 | 1,135,212,606 |
| | Total | - | 1,135,212,606 | 1,135,212,606 |

20.8 Other Traffic Revenue

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|----------------------------|--|---|--------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Road Safety Fund | | 158,144,726 | 158,144,726 |
| 2 | Foreign Motor Vehicle Fees | | 21,629,264 | 21,629,264 |
| | Total | - | 179,773,990 | 179,773,990 |

20.9 Sales of Goods and Services (Traffic Fees)

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|--|--|---|----------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Registration Fees | | 959,685,231 | 959,685,231 |
| 2 | Second Hand Motor Vehicle Purchase Tax | | 278,782,032 | 278,782,032 |
| | Total | - | 1,238,467,263 | 1,238,467,263 |

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20.10 Fees on use of Goods/Services (Licences under Traffic Act)

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|---|---|--|----------------------|
| | | KShs. | KShs. | KShs. |
| 1 | Licences under Traffic Act(Dealers Licences, Driving Licences) | - | 2,181,735,949 | 2,181,735,949 |
| | Total | - | 2,181,735,949 | 2,181,735,949 |

20.11 Surplus Funds

| S/N | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|-----|--|---|--|----------------------|
| | Surplus Funds directly received in KRA account | Kshs. | Kshs. | Kshs. |
| 1 | Kenya National Bureau of statistics | - | 6,703,217 | 6,703,217 |
| 2 | Retirement Benefits Authority | - | 60,212,923 | 60,212,923 |
| 3 | Kenya Dairy Board | - | 7,280,039 | 7,280,039 |
| 4 | Kenya Bureau Of Standards | - | 123,399,103 | 123,399,103 |
| 5 | Communications Authority Of Kenya | - | 3,085,006,770 | 3,085,006,770 |
| 6 | Competition Authority of Kenya | - | 6,098,153 | 6,098,153 |
| 7 | Insurance Regulatory Authority | - | 623,265,394 | 623,265,394 |
| 8 | Kenya Civil Aviation Authority | - | 4,644,903,890 | 4,644,903,890 |
| 9 | National Construction Authority | - | 150,450,185 | 150,450,185 |
| 10 | Kenya Maritime Authority | - | 190,927,336 | 190,927,336 |
| 11 | Agriculture and Food Authority | - | 571,622,229 | 571,622,229 |
| 12 | Water Services Regulatory Board | - | 30,082,442 | 30,082,442 |
| 13 | Kenya Film Classification Board | - | 391,277 | 391,277 |
| 14 | Kenya Fisheries Services | - | 13,181,731 | 13,181,731 |
| 15 | Kenya Medical Laboratory Technicians and Technologist Board | - | 2,341,415 | 2,341,415 |
| 16 | National Campaign Against Drug abuse | - | 16,502,063 | 16,502,063 |
| 17 | The Anti Counterfeit Agency | - | 30,982,554 | 30,982,554 |
| | SUBTOTAL | | 9,563,350,721 | 9,563,350,721 |
| | Surplus Funds remitted directly to National Treasury | | | |
| 1 | Insurance Regulatory Authority | | 120,000,000 | 120,000,000 |
| 2 | Retirement Benefits Authority | | 73,000,000 | 73,000,000 |
| | Subtotal | | 193,000,000 | 193,000,000 |
| | Grand Total | | 9,756,350,721 | 9,756,350,721 |

Note: Surplus funds relate to surrendered end of year unexpended vote or excess Appropriation in Aid by the Accounting Officers of the State Corporations as per the Public Finance Management Act.

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20.12 Agency collections

| | Tax Head | Notes | Principal | Agency Accounts Nos. | Actual Receipts for year ended 30th June 2025 |
|----|---|---------------|--|------------------------|---|
| 1 | Airport Revenue | | Kenya Airports Authority | 1000007451 | 18,026,019,411 |
| 2 | Aviation Revenue | | Kenya Civil Aviation Authority | 1000007826 | 74,219,760 |
| 3 | Petroleum Development Fund | Note 20.12(a) | National Treasury | 1000007435 | 26,373,390,295 |
| 4 | Road Maintenance Levy | Note 20.12(a) | Kenya Roads Board | 1000007818 | 119,662,011,868 |
| 5 | K.A.A. Concession Fees | | Kenya Airports Authority | 1000008121 | 167,088,724 |
| 6 | Road Transit Toll Levy | | Kenya Roads Board | 1000007818 | 1,952,122,507 |
| 7 | Sugar Levy | | Sugar Directorate (Agriculture and Food Authority) | 1000007729/ 1000008113 | - |
| 8 | Petroleum Regulatory Levy | | Energy Regulatory Commission | 1000009004 | 3,642,508,847 |
| 9 | Merchant Superintendent Shipping Levy | | Kenya Maritime Authority | 1000008598 | 2,051,303,756 |
| 10 | KEBS Levy | | Kenya Bureau of Standards | 1000007702 | 583,282,706 |
| 11 | Traffic Fees-Agency | Note 20.12(b) | National Transport & Safety Authority | 1000007486 | 474,408,282 |
| 12 | Housing Levy | | Ministry of Lands, Public Works, Housing and Urban Development | 1000411562 | 68,925,777,840 |
| 13 | National Industrial Training Levy(NITA) | | National Industrial Training Levy(NITA) | 1000007737 | 1,395,177,918 |
| 14 | Solatum Compensation | | Ministry of Health | 1000008512/1000741732 | 425,867,063 |
| | Total | | | | 243,753,178,977 |

20.12 (a) Fees on use of Goods and services (PDL & RML)

| Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|--|--|---|------------------------|
| | KShs | KShs | KShs |
| Petroleum Development Levy (PDL) | - | 26,373,390,295 | 26,373,390,295 |
| Roads Maintenance Levy (RML) | - | 119,662,011,868 | 119,662,011,868 |
| Total Fees on use of Goods/Services | - | 146,035,402,163 | 146,035,402,163 |

20.12(b) Sales of Goods and Services (Traffic Fees-Agency)

| Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|--|--|---|--------------------|
| | KShs | KShs | KShs |
| Sale of N. Plates(601) | - | 138,555,929 | 138,555,929 |
| Sale of N. Plates(602) | - | 300,420,325 | 300,420,325 |
| Transfer Fees for Motor Vehicle Registration | - | 35,432,028 | 35,432,028 |
| Total | - | 474,408,282 | 474,408,282 |

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20.13. AIA Revenue (Miscellaneous Revenue)

| | Tax Head | Receivables for the year ended 30th June, 2025 | Actual Receipts for year ended 30th June 2025 | Total |
|---|---------------|--|---|-------------------|
| | | KShs | KShs | KShs |
| 1 | Miscellaneous | - | 19,010,171 | 19,010,171 |
| | Total | - | 19,010,171 | 19,010,171 |

Note: Miscellaneous Revenue mainly comprises of collections on overtime fees and sale of Tamperproof seals for the year ended 30th June, 2025. This is an Appropriation-In-Aid for Kenya Revenue Authority.

20.14. Nairobi County Government Collections

| | Revenue Stream | Actual for the year upto 30 th August 2024 |
|----|--|---|
| | | KShs |
| | | 106,142,004 |
| 1 | Land Rates | 127,532,460 |
| 2 | Parking fees (total) | 99,677,975 |
| 3 | Single Business Permits | 92,306,088 |
| 4 | Plans and Inspections (Building Permits) | 28,445,552 |
| 5 | Billboards and advertisements | 41,987,466 |
| 6 | House and Stall Rent | 204,500 |
| 7 | Fire Inspection Certificates | 7,055,000 |
| 8 | Food Handlers Certificates | 19,827,932 |
| 9 | Markets | 60,331,774 |
| 10 | Other Incomes | *583,510,751 |
| | Total | |

*Note: *Nairobi County Government Collections are for the period 1st July 2024 to 4th August, 2024, thereafter the mandate for collections was transferred back to NCCG and the KRA County Accounts closed accordingly.*

20.15. Transfer to Treasury and Fund Accounts

| | Tax Head | Actual transfer for year ended 30th June 2025 |
|----|---|---|
| | | KShs |
| 1 | Income Tax from Individuals (PAYE) | 560,981,619,791 |
| 2 | Income Tax from Corporations | 530,762,664,707 |
| 3 | Land Rent | 92,421,697 |
| 4 | VAT on Domestic Goods and Services | 329,295,722,356 |
| 5 | VAT on Imported Goods and Services | 333,602,388,914 |
| 6 | Excise Domestics | 168,238,985,740 |
| 7 | Excise Airtime | - |
| 8 | Excise on Financial Services | 899,791,324 |
| 9 | Excise Imports | 125,339,431,844 |
| 10 | Customs Duties(Import) | 156,699,055,506 |
| 11 | Other Taxes on International Trade and Transactions (IDF Fee) | 52,181,593,187 |
| 12 | Stamp Duty | 172,047,197 |
| 13 | Railway Development Levy | 36,789,095,588 |
| 14 | Traffic revenue | 3,563,652,671 |
| 15 | KRA- Tax on Winnings-KSh (Sports Fund Coll Account) | 15,514,543,397 |
| 16 | Surplus Funds(Banked in Income tax A/c) | 9,563,350,721 |
| | Total | 2,323,696,364,640 |

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20.16. Agency Transfers

(A) Transfers to Principals

The following is a breakdown of the transfers from holding accounts to principals;

| S/NO. | Agency accounts | Agency Accounts Nos. | Principal | Actual transfer for year ended 30th June 2025 |
|-------|---|-----------------------|---|---|
| | | | | KShs |
| 1 | Airport Revenue (APSC) | 1000007451 | Kenya Airports Authority | 17,868,182,824 |
| 2 | Petroleum Development Fund (PDF Levy) | 1000007435 | National Treasury | 25,403,673,939 |
| 3 | Affordable Housing Levy | 1000411562 | Department of Housing | 72,858,818,500 |
| 4 | Road Transit Toll Levy | 1000007818 | Kenya Roads Board | 1,913,154,768 |
| 5 | K.A.A. Concession Fees | 1000008121 | Kenya Airports Authority | 162,362,498 |
| 6 | Aviation Revenue (DCA Aviation) | 1000007826 | Kenya Civil Aviation Authority | 77,200,822 |
| 7 | Petroleum Regulatory Levy | 1000009004 | Energy Regulatory Commission | 3,531,611,009 |
| 8 | Merchant Superintendent Shipping Levy (MSS) | 1000008598 | Kenya Maritime Authority | 1,982,592,488 |
| 9 | Road Maintenance Levy (RML) | 1000007516 | Kenya Roads Board | 114,377,788,119 |
| 10 | KEBS LEVY | 1000007702 | Kenya Bureau of Standards | 690,952,369 |
| 11 | Traffic Fees - Agency | 1000007486 | National Transport & Safety Authority | 447,373,392 |
| 12 | National Industrial Training Levy(NITA) | 1000007737 | National Industrial Training Levy(NITA) | 1,477,002,874 |
| 13 | Solatum Compensation | 1000008512/1000741732 | Ministry of health | 541,222,249 |
| | Total | | | 241,331,935,853 |

(B) Transfers to KRA (AIA- Miscellaneous Revenue)

| S/NO. | AIA | Actual transfer for year ended 30th June 2025 |
|-------|---------------|---|
| | | KShs |
| 1 | Miscellaneous | 18,045,201 |
| | Total | 18,045,201 |

Note: Miscellaneous Revenue mainly comprises of Transfers on overtime fees and sale of Tamperproof seals and exchequer funding for the year ended 30th June, 2025.

(C) Transfers to County Revenue Fund A/C & related Charges

| | | Actual transfer for the period upto August 2024 |
|---|---------------------------|---|
| | | KShs |
| 1 | Nairobi County Government | 607,012,605 |
| | Total | 607,012,605 |

Note: Note: *Nairobi County Government transfers are for the period 1st July 2024 to 4th August, 2024, thereafter the mandate for collections was transferred back to NCCG and the KRA County Accounts closed accordingly.

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20.17. Transfer to KRA- Agency Commission and 16% VAT

| S/No. | Agency accounts Tax Head | Actual transfer for year ended 30th June 2025 | | |
|-------|---|---|--------------------|----------------------|
| | | Commission excluding 16% VAT | 16% VAT Component | Commission+ 16%VAT |
| | | KShs | KShs | KShs |
| 1 | Airport Revenue (APSC) | 365,851,409 | 58,536,225 | 424,387,635 |
| 2 | Petroleum Development Fund (PDF Levy) | 525,686,461 | 84,109,834 | 609,796,295 |
| 3 | Affordable Housing Levy | 369,160,436 | 59,065,670 | 428,226,106 |
| 4 | Road Transit Toll Levy | 39,171,883 | 6,267,501 | 45,439,384 |
| 5 | K.A.A. Concession Fees | 3,324,375 | 531,900 | 3,856,276 |
| 6 | Aviation Revenue (DCA Aviation) | 1,580,688 | 252,910 | 1,833,599 |
| 7 | Petroleum Regulatory Levy | 72,598,797 | 11,615,808 | 84,214,605 |
| 8 | Merchant Superintendent Shipping Levy (MSS) | 40,593,622 | 6,494,979 | 47,088,601 |
| 9 | Road Maintenance Levy (RML) | 2,341,887,554 | 374,702,009 | 2,716,589,562 |
| 10 | KEBS - Levy | 14,147,264 | 2,263,562 | 16,410,826 |
| 11 | Traffic Fees - Agency Fees | 8,770,954 | 1,403,353 | 10,174,307 |
| 12 | National Industrial Training Levy(NITA) | 30,241,664 | 4,838,666 | 35,080,330 |
| 13 | Solatum Compensation | 11,081,537 | 1,773,046 | 12,854,583 |
| | Total | 3,824,096,644 | 611,855,463 | 4,435,952,107 |

Note: Below is the tabulation of the KRA Commission and 16% VAT payables as at 30th June 2024 & as at June, 2025.

KRA Commissions Payables as at 30th June - FY 2023-2024 & 2024-2025

| KRA Commissions Payables for the FY 2023-2024(Remitted to KRA in July 2024) | | | | | KRA Commissions Payables for the FY 2024-2025(Remitted to KRA in July 2025) | | |
|---|--|-------------------------------------|--|---|--|--|---|
| S/No. | Agency Accounts | 2% /0.05% Commission Payable to KRA | 16% VAT Component payable to KRA in FY 2023-2024 | Total Payables to KRA(Commission & 16%VAT) | 2% /0.05% Commission Payable to KRA | 16% VAT Component payable to KRA in FY 2024-2025 | Total Payables to KRA(Commission & 16%VAT) |
| | | KShs | KShs | KShs | KShs | KShs | KShs |
| | | A | B | C=(A+B) | D | E | F=(D+E) |
| 1 | Airport Revenue (APSC) | 14,969,373 | 2,395,100 | 17,364,473 | 9,639,060 | 1,542,250 | 11,181,310 |
| 2 | Petroleum Development Fund (PDF LEVY) | 41,073,201 | 6,571,712 | 47,644,913 | 42,854,769 | 6,856,763 | 49,711,532 |
| 3 | Road Transit Toll Levy | 3,476,023 | 556,164 | 4,032,186 | 3,480,947 | 556,951 | 4,037,898 |
| 4 | K.A.A. Concession Fees | 271,045 | 43,367 | 314,412 | 293,914 | 47,026 | 340,940 |
| 5 | Aviation Revenue (DCA Aviation) | 98,273 | 15,724 | 113,997 | 1,980 | 317 | 2,297 |
| 6 | Petroleum Regulatory Levy | 5,677,681 | 908,429 | 6,586,110 | 5,929,067 | 948,651 | 6,877,717 |
| 7 | Merchant Superintendent Shipping Levy (MSS) | 3,197,157 | 511,545 | 3,708,702 | 3,642,378 | 582,781 | 4,225,159 |
| 8 | Road Maintenance Levy (RML) | 49,865,588 | 7,978,494 | 57,844,082 | 101,218,272 | 16,194,924 | 117,413,196 |
| 9 | Solatum Compensation | 2,569,256 | 411,081 | 2,980,337 | 5,060 | 810 | 5,870 |
| 10 | KEBS - Levy | 1,057,398 | 169,184 | 1,226,581 | 988,189 | 158,110 | 1,146,299 |
| 11 | Traffic Revenue Fees (Agency) | 708,630 | 113,381 | 822,011 | 1,426,013 | 228,162 | 1,654,175 |
| 12 | Housing fund | - | - | - | 28,058,812 | 4,489,410 | 32,548,222 |
| 13 | Nita(National Industrial Training Authority) | 2,373,538 | 379,766 | 2,753,304 | 2,255,711 | 360,914 | 2,616,625 |
| | Total | 125,337,162 | 20,053,946 | 145,391,108 | 199,794,171 | 31,967,067 | 231,761,238 |

Reconciliation of the Agency Commission disbursement amounts to the KRA Agency Financial Statements amounts.

| Agency Commission disbursed to KRA in the Financial Year (Kshs.) | Agency Commissions disbursements related to prior Year (Kshs.) | Agency commission payable to KRA as at 30 th June 2025. (Kshs.) | Exchange Rate Effect (Kshs.) | KRA Agency Income Reflected in the KRA Agency Financial Statements (Kshs.) |
|--|--|--|------------------------------|--|
| A | B | C | D | E=(A-B+C+D) |
| 3,824,096,644 | 125,337,162 | 199,794,171 | 1,942 | 3,898,555,595 |

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20.18. Closing Balances

The following is the movement in the closing balances:

A. Closing Balances -Treasury Collections

| S/No | Treasury Collections | Cash in Transit as at 30th June 2025 | Cash in Transit as at 30th June 2024 |
|------|------------------------------------|--------------------------------------|--------------------------------------|
| | | Kshs | Kshs |
| 1 | Income Tax from Individuals (PAYE) | 709,541,473 | 781,286,784 |
| 2 | Income Tax from Corporations | 11,375,927,879 | 12,503,510,518 |
| 3 | Land Rent | - | 21,824 |
| 4 | VAT on Domestic Goods and Services | 2,252,006,585 | 4,294,336,131 |
| 5 | VAT on Imported Goods and Services | 1,305,831,662 | 1,465,356,803 |
| 6 | Excise Domestics | 5,613,780 | 130,163,739 |
| 7 | Excise Imports | 734,989,464 | 771,444,702 |
| 8 | Excise Financial Services | - | 361,047,293 |
| 9 | Customs Duties(Import) | 2,883,293,618 | 1,927,842,324 |
| 10 | Export & Investment Promotion Levy | 1,479,513,256 | 129,249,116 |
| 11 | IDF Fee | 1,032,537,951 | 837,674,222 |
| 12 | Railway Development Levy | 159,964,280 | 128,259,043 |
| 13 | Traffic revenue | 49,827,438 | 71,329,943 |
| | Total | 21,989,047,386 | 23,401,522,442 |

B. Closing Balance- Agency Collections, commissions & 16% VAT

| S/No. | Agency Accounts | Cash in Transit as at 30th June 2025 | Cash in Transit as at 30th June 2024 |
|-------|--|--------------------------------------|--------------------------------------|
| | | KShs | KShs |
| 1 | Airport Revenue (APSC) | 354,514,915 | 420,745,710 |
| 2 | Petroleum Development Fund (PDF LEVY) | 831,136,069 | 646,879,445 |
| 3 | Road Transit Toll Levy | 2,488,844 | 6,411,477 |
| 4 | K.A.A. Concession Fees | 284,000 | 536,500 |
| 5 | Aviation Revenue (DCA Aviation) | 206,749 | 4,919,313 |
| 6 | Petroleum Regulatory Levy | 26,339,590 | 24,324,692 |
| 7 | Merchant Superintendent Shipping Levy (MSS) | 6,265,018 | 6,335,850 |
| 8 | Road Maintenance Levy (RML) | 877,986,225 | 582,240,114 |
| 9 | KEBS - Levy | 51,814,326 | 113,646,200 |
| 10 | Traffic Revenue Fees (Agency) | 52,905,632 | 36,046,342 |
| 11 | Housing fund | 6,505,757,956 | 6,590,832,868 |
| 12 | Nita(National Industrial Training Authority) | 110,892,465 | 98,050,167 |
| 13 | Solatum Compensation | 253,017 | 128,462,785 |
| | Total | 8,820,844,806 | 8,659,431,462 |

C. Closing Balance- AIA Revenue

| | AIA Revenue (Miscellaneous) | Cash in Transit as at 30th June 2025 | Cash in Transit as at 30th June 2024 |
|---|-----------------------------|--------------------------------------|--------------------------------------|
| | | KShs | KShs |
| 1 | Miscellaneous | 8,000 | - |
| | Total | 8,000 | - |

Note: This relates to Miscellaneous Revenue in the closing Bank balances

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D. Closing Balance as at 30th June, 2025-Nairobi County Government collections

| | Agency Accounts | Cash in Transit as at 30th June 2025 | Actual transfer for year ended 30th June 2024 |
|---|---------------------------|--------------------------------------|---|
| | | KShs | KShs |
| 1 | Nairobi County Government | - | 23,501,854 |
| | Total | - | 23,501,854 |

Note on closing balances:

The closing balances at the agent banks comprise collections that were within the T+2-transfer arrangement. The variances in amounts across the revenue items is dependent on the level of activities and remittances on the last two days of the month.

E. (i) Unallocated Revenue closing balances for the year ended 30th June, 2025.

| | Bank Name | Account Name | Bank Account No. | Amount(Kshs) |
|----|--|-------------------------------------|------------------|--------------------|
| 1 | Absa Bank Kenya PLC | Kenya Revenue Authority | 2031960749 | 35,398,968 |
| 2 | Co-operative Bank of Kenya Limited | KRA collection Account(VAT/E-slip) | 01136001340300 | 3,781,221 |
| 3 | Eco bank Kenya Limited | Kenya Revenue Authority | 6580000121 | 2,475 |
| 4 | Equity Bank (Kenya)Limited | Kenya Revenue Authority | 0240299657063 | 2,592,151 |
| 5 | I&M Bank Limited | Kenya Revenue Authority | 100816369910 | 57,501,446 |
| 6 | KCB Kenya Limited | Kenya Revenue Authority | 1108976298 | 3,975,790 |
| 7 | National Bank of Kenya Limited | KRA- Comm of Cust Serv. Pre-Idf A/C | 01002305340900 | 565,618 |
| 8 | National Bank of Kenya Limited | KRA collection Account | 01001005109600 | 1,958,290 |
| 9 | NCBA Bank Kenya PLC | Kenya Revenue Authority | 7135210017 | 17,743,219 |
| 10 | Stanbic Bank Kenya Limited | Kenya Revenue Authority | 100002716307 | 466 |
| | Sub total | | | 123,519,644 |
| | Bank Charges | | | (22,320) |
| 1 | Access bank | Kenya Revenue Authority | 0010100001268 | |
| | Sub total | | | 752,226 |
| | Excise Stamps | | | 290,830 |
| | Kenya School Of Revenue Administration | | | |
| | Grand Total | | | 124,540,380 |

Note:

Unallocated Revenue relate to payments remitted to KRA collection accounts but with missing mandatory information especially Taxpayer details, PRN Numbers or where the PRN Number was already expired. Follow up is being made with the respective taxpayers and the bank to provide the missing information to allow utilization. Debit balances relates to bank errors and erroneous charges, which are followed up and regularized by banks in subsequent periods. All the above debits will be regularized in July, 2025, except for the amounts of Kshs 550 for Imperial Bank, which is currently under statutory management/receivership.

(ii) Unallocated Revenue for the year ended 30th June, 2024

| | Bank Name | Account Name | Bank Account No. | Amount(Kshs) |
|---|------------------------------------|-------------------------------------|------------------|--------------|
| 1 | Co-operative Bank of Kenya Limited | Com. of Customs & Excise -Nkrumah | 01136006150701 | 140,104 |
| 2 | Co-operative Bank of Kenya Limited | KRA collection Account(VAT/E-slip) | 01136001340300 | 291,075 |
| 3 | Eco bank Kenya Limited | Kenya Revenue Authority | 6580000121 | 122,570 |
| 4 | Equity Bank (Kenya)Limited | Kenya Revenue Authority | 0240299657063 | 905,650 |
| 5 | I&M Bank Limited | Kenya Revenue Authority | 100816369910 | 553,634 |
| 6 | KCB Kenya Limited | Kenya Revenue Authority | 1108976298 | 29,350,292 |
| 7 | National Bank of Kenya Limited | KRA- Comm of Cust Serv. Pre-Idf A/C | 01002305340900 | 3,072,755 |
| 8 | National Bank of Kenya Limited | KRA collection Account | 01001005109600 | 5,140,784 |
| 9 | Stanbic Bank Kenya Limited | Kenya Revenue Authority | 100002716307 | 177,269 |

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| | | | | | |
|---|---|-------------------------|-------------------------|--|-------------------|
| | Sub Total | | | | 39,754,133 |
| | Debits (Bank Errors & Charges) | | | | |
| 1 | Access bank | Kenya Revenue Authority | 0010100001268 | | (24,876) |
| 2 | Imperial Bank (in Liquidation) | Kenya Revenue Authority | ITAX-L121422/7224000607 | | (550) |
| 3 | NCBA Bank Kenya PLC | Kenya Revenue Authority | 7135210017 | | (38,200) |
| | Sub Total | | | | (63,626) |
| | Grand Total | | | | 39,690,507 |

(iii) Closing Balance- Excise Stamps

| S/No | Bank | Account Name | Account No. | FY 2024-2025 | FY 2023-2024 |
|------|------------------------------------|------------------------------------|----------------|----------------|----------------|
| | | | | Amount(Kshs) | Amount(Kshs) |
| 1 | Stanbic Bank Kenya Limited | Kenya Revenue Authority | 100002716307 | | 117,776 |
| 2 | KCB Kenya Limited | Kenya Revenue Authority | 1108976298 | | 175,000 |
| 3 | Co-operative Bank of Kenya Limited | KRA collection Account(VAT/E-slip) | 01136001340300 | 175,000 | |
| | Sub Total | | | 175,000 | 292,776 |

(iv) Funds available for Transfer from Prior year & Error Corrections

| Description | FY 2024-2025 |
|--|------------------------|
| Opening Cash in Transit | 37,923,144,662 |
| Less: Prior year adjustments & Error Corrections | (212,579,782) |
| Chase Bank & Imperial Bank Under liquidation/Receivership | (102,444,187) |
| Adjusted Opening Cash in Transit | 37,608,120,693 |
| Add: Adjustment on Opening Balance for prior year Receivables | 309,694,453,953 |
| Funds Available for Transfer from Prior years | 347,302,574,646 |

Note: The figure of Kshs. 347,302,574,646 arises from adjustments on prior year collections, error corrections & Balances in Chase Bank and Imperial Banks under liquidation/receivership.

(v) Receivables from Non Exchange Transactions

| Description | Notes | Account Receivables for the year ended 30th June, 2025 | Opening Bal as at 1 st Jul 2024 |
|---|-------------|--|--|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Taxes on Income, Profits and Capital Gains | 20.1 | 90,661,889,267 | 257,310,622,804 |
| Taxes on Property | 21 (iv) (a) | | 3,100,234 |
| Taxes on Goods and Services | 20.3 | 61,519,700,097 | 47,271,903,107 |
| Taxes on International Trade and Transactions | 20.4 | 4,472,346,677 | 177,909,864 |
| Stamp Duty | 21 (iv) (a) | | 6,000 |
| Other Taxes | | | |
| Railway Development Levy | 21 (iv) (a) | | 3,672,497 |
| Betting Tax | 21 (iv) (a) | | 423,440,359 |
| Traffic Revenue | 21 (iv) (a) | | 179,972 |
| Agency Revenue | 21 (iv) (a) | | 4,503,619,116 |

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| | | | |
|-------|--|-----------------|-----------------|
| Total | | 156,653,936,041 | 309,694,453,953 |
|-------|--|-----------------|-----------------|

(vi) Receivables from Exchange Transactions

| Tax Head | Notes | Account Receivables for the year ended 30th June, 2025 |
|------------------------------------|-------|--|
| | | KShs |
| Revenue from exchange transactions | | NIL |

(vii) Payables- Due to Exchequer & Principals

| Payables | Balances Movement As At 30th June, 2025 | | | | | Total Kshs |
|--|---|------------------------------------|---------------|---|---|---------------------|
| | Exchequer Kshs | Agency/Payment Accounts Kshs | NCCG Kshs | Unallocated Revenue & Excise Stamps Kshs | Chase & Imperial Bank under Liquidation/ receivership Kshs | |
| Balance B/F at the beginning of the period | 24,449,141,622 | 13,408,677,710 | 23,501,854 | 41,823,477 | | 37,923,144,663 |
| Prior year Adjustments/Error corrections | (305,908,350) | 135,152,594 | | (41,824,027) | (102,444,187) | (315,023,970) |
| Exchequer Collections for the period | 2,353,891,958,573 | | | | | 2,353,891,958,573 |
| Agency Collections for the period | | 248,275,808,264 | | | | 248,275,808,264 |
| Provision for Refunds | | 31,428,000,000 | | | | 31,428,000,000 |
| NCCG Collections | | | 583,510,751 | | | 583,510,751 |
| Unallocated Revenue | | | | 124,715,380 | | 124,715,380 |
| Total Funds available | 2,378,035,191,845 | 293,247,638,568 | 607,012,605 | 124,714,830 | (102,444,187) | 2,671,912,113,661 |
| Disbursements | | | | | | - |
| Amounts disbursed to Exchequer during the year | (2,323,696,364,640) | | | | | (2,323,696,364,640) |
| Remittances to Principals | | (241,331,935,853) | | | | (241,331,935,853) |
| Agency commissions and 16%VAT deducted remitted to KRA | | (4,435,952,107) | | | | (4,435,952,107) |
| Chase & Imperial Bank under Liquidation/ receivership | (102,392,945) | (51,791) | | 550 | 102,444,187 | 1 |
| NCCG Remittances | | | (607,012,605) | | | (607,012,605) |
| Provision for Refunds | (31,428,000,000) | | | | | (31,428,000,000) |
| e-Citizen balances | (819,386,874) | (21,633,765) | | (1,043,056) | | (842,063,695) |
| Refund Payments | | (31,485,323,001) | | | | (31,485,323,001) |
| AIA Revenue Remittances | | (18,045,201) | | | | (18,045,201) |
| Total Disbursements during the period | (2,356,046,144,459) | (277,292,941,718) | (607,012,605) | (1,042,506) | 102,444,187 | (2,633,844,697,101) |
| Balance c/d at the end of the period | 21,989,047,386 | 15,954,696,850 | - | 123,672,324 | - | 38,067,416,560 |

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20.19. (A) (i) Statement of Revenue Debt as at 30th June, 2025

| | Department | For the year ended 30th June 2025 | | For the year ended 30th June 2024 | |
|---|-----------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | | Kshs. | | Kshs. | |
| 1 | Custom Services Department | | 25,608,458,629 | | 12,017,802,461 |
| | Sub-totals | | 25,608,458,629 | | 12,017,802,461.44 |
| 2 | - Domestic Taxes Department | | 2,698,445,628,625 | | 2,321,910,746,742 |
| | Sub-totals | | 2,698,445,628,625 | | 2,321,910,746,742 |
| | Total | | 2,724,054,087,254 | | 2,333,928,549,203 |

(A) (ii) Statement of Revenue Debt by Tax Head as at 30th June, 2025

| Tax Head | Balance as at 1 July 2024 | Beyond one year period | Additions in Arrears for the Current Year to 30th June 2025 (Less than 1 Year) | Total Arrears as at 30th June 2025 |
|---|---------------------------|------------------------|--|------------------------------------|
| | Kshs. | Kshs. | Kshs. | Kshs. |
| Tax on income profits and capital gains | 1,526,737,364,505 | 28,355,887,136 | 90,663,739,888 | 1,645,756,991,529 |
| Taxes on goods and services | 795,173,382,237 | 195,997,405,381 | 61,517,849,477 | 1,052,688,637,095 |
| Sub total | 2,321,910,746,742 | 224,353,292,517 | 152,181,589,365 | 2,698,445,628,624 |
| Taxes on International Trade and Transactions | 12,017,802,461 | 9,118,309,492 | 4,472,346,677 | 25,608,458,630 |
| Sub total | 12,017,802,461 | 9,118,309,492 | 4,472,346,677 | 25,608,458,630 |
| Total | 2,333,928,549,203 | 233,471,602,009 | 156,653,936,042 | 2,724,054,087,254 |

(A) (iii) Statement of Revenue Debt by age of the debt as at 30th June, 2025

| Tax head | Less than 1 Year | Between 1 to 2 Years | Between 2-3 Years | Over 3 Years | Total |
|---|------------------------|------------------------|------------------------|--------------------------|--------------------------|
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. |
| Taxes on income profits and capital gains | 90,663,739,888 | 77,063,760,089 | 114,525,780,300 | 1,363,503,711,251 | 1,645,756,991,529 |
| Taxes on goods and services | 61,517,849,477 | 37,895,129,356 | 51,419,071,536 | 901,856,586,727 | 1,052,688,637,095 |
| Sub -total | 152,181,589,365 | 114,958,889,446 | 165,944,851,836 | 2,265,360,297,978 | 2,698,445,628,624 |
| Taxes on International Trade and Transactions | 4,472,346,677 | 1,638,334,318 | 654,286,745 | 18,843,490,889.37 | 25,608,458,629 |
| Sub-total | 4,472,346,677 | 1,638,334,318 | 654,286,745 | 18,843,490,889 | 25,608,458,630 |
| Grand Total | 156,653,936,042 | 116,597,223,764 | 166,599,138,581 | 2,284,203,788,867 | 2,724,054,087,254 |

(A) (iv) Breakdown of Revenue Debt as at 30th June, 2025

| Department | Debt Breakdown | | | |
|---------------------------------|--------------------------|-----------------------|------------------------|--------------------------|
| | Principal (Kshs) | Penalty (Kshs) | Interest (Kshs) | Total Debt (Kshs) |
| Customs | 19,708,125,132 | 2,656,980,750 | 3,243,352,746 | 25,608,458,629 |
| Sub Total | 19,708,125,132 | 2,656,980,750 | 3,243,352,746 | 25,608,458,629 |
| Domestic Taxes Department(iTax) | 2,159,644,485,134 | 96,180,917,502 | 442,620,225,989 | 2,698,445,628,625 |
| Sub Total | 2,159,644,485,134 | 96,180,917,502 | 442,620,225,989 | 2,698,445,628,625 |
| Grand Total | 2,179,352,610,267 | 98,837,898,252 | 445,863,578,735 | 2,724,054,087,254 |

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(A) (v) Classification of Revenue Debt as at 30th June, 2025

| Department | Classification | | | | Total Debt (Kshs) |
|--------------------------------------|------------------------|--------------------------|------------------------|-----------------------|--------------------------|
| | Collectible (KShs.) | Doubtful (Kshs.) | Uncollectable (Kshs.) | Under validation | |
| Customs | 16,435,995,965 | 4,706,324,671 | 906,156,082 | 3,559,981,911 | 25,608,458,629 |
| Sub Total | 16,435,995,965 | 4,706,324,671 | 906,156,082 | 3,559,981,911 | 25,608,458,629 |
| Domestic Taxes Department(iTax) | 204,149,315,733 | 2,325,619,113,804 | 152,298,200,681 | 16,378,998,407 | 2,698,445,628,625 |
| Sub Total | 204,149,315,733 | 2,325,619,113,804 | 152,298,200,681 | 16,378,998,407 | 2,698,445,628,625 |
| Grand Total | 220,585,311,698 | 2,330,325,438,475 | 153,204,356,763 | 19,938,980,318 | 2,724,054,087,254 |
| Less: Provision for bad debts | 63,931,375,656 | 2,330,325,438,475 | 153,204,356,763 | 19,938,980,318 | 2,567,400,151,212 |
| Collectible Revenue Debt | 156,653,936,042 | - | - | - | 156,653,936,042 |

Note:

1. (a) Domestic Taxes Department

The Domestic Taxes debt as at 30th June, 2025 was Kshs 2,698,445,628,625

(b) Customs & Border Control

The Customs & Border Control debt as at 30th June, 2025 was Kshs 25,608,458,629.

NB: The debt amounts are as extracted from the system(s) and are a subject of ongoing Ledger cleaning exercise, jointly with taxpayers

2. (a) Challenges in Debt Management

- i. Erroneous/Mis-declarations by Taxpayers during filing leading to invalid debts.
- ii. Objections and court cases that affect collections efforts
- iii. Semi-automated debt processes complicating debt processing
- iv. High number of Tax debtors compared Versus staff numbers
- v. Erroneous/incomplete Ledger data inherited from the Legacy system
- vi. Lack of and slow integration by other government agencies systems to iTax to facilitate seamless update of payment information into the Ledgers.

(b) Measures in Place to Improve Revenue Debt Arrears

- i. Continuous strengthening of the Corporate Taxpayer Account Management Division that is charged with debt management by improving structures and staff capacity (numbers and training).
- ii. Automation and roll out of debt module in iTax to transform the overall debt processes.
- iii. Implementation of a project approach to deal with huge debts owed by nil and non-filers for the various tax heads.
- iv. Building capacity on gathering intelligence information to facilitate effective utilisation of debt enforcement actions such as Agency Notices and distraint (auction of property) to deal with difficult and hard-core debt cases.
- v. Establishment of a full time project team to fast track debt validation of legacy system debts and creation of specific debt validation teams at TSOs.
- vi. Strengthening of the Tax appeal processes including objections, ADR and TAT to enhance timely resolution of the many cases tying huge debt.
- vii. Enhanced and comprehensive data cleaning and validation processes on Taxpayer records/Ledgers/Bonds. .
- viii. Linking of IFMIS, iTax and CBK systems to avoid build-up of invalid PAYE debts due to lack of uncredited payments in iTax.
- ix. Issuance of Caveats on importers and Customs clearing Agents consignment's to recover debt.
- x. Fast track vacation of debts written off by government such as those of Public Sugar companies.

(A) (vi) Summary Classification of Revenue Debt as at 30th June, 2025

| Department | Classification | | | | Total Debt (Kshs) |
|--------------------------------------|------------------------|--------------------------|------------------------|-----------------------|--------------------------|
| | Collectible (KShs.) | Doubtful (Kshs.) | Uncollectable (Kshs.) | Under validation | |
| Grand Total | 220,585,311,698 | 2,330,325,438,475 | 153,204,356,763 | 19,938,980,318 | 2,724,054,087,254 |
| Less: Provision for bad debts | 63,931,375,656 | 2,330,325,438,475 | 153,204,356,763 | 19,938,980,318 | 2,567,400,151,212 |
| Collectible Revenue Debt | 156,653,936,042 | - | - | - | 156,653,936,042 |

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(Vii) (a) Statement of Outstanding Refund claims as at 30th June,2025 & 30th June 2024.

| Department | Tax Head | For the year ended 30th June 2025 (Kshs) | For the year ended 30th June 2024 (Kshs) |
|--------------------------------------|-----------------|---|---|
| Domestic Taxes Department | VAT | 47,852,812,732 | 45,644,617,919 |
| | Income Tax | 36,949,690,626 | 49,933,252,136 |
| | Excise Domestic | 163,991,447 | 537,617,218 |
| | Subtotal | 84,966,494,805 | 96,115,487,273 |
| Custom and Border Control Department | Import Duty | 131,059,690 | - |
| | Excise Duty | 436,532,876 | 841,151,220 |
| | Sub-Total | 567,592,566 | 841,151,220 |
| | Grand Total | 85,534,087,372 | 96,956,638,493 |

(Vii) (b) Statement of Outstanding Refunds processing and Funding status as at 30th June,2025

| Department | Refund Category/Tax Head | Outstanding Refunds Claims value (Kshs) | Refunds claims pending Approval (Kshs) | Processed and Approved Refund claims (Kshs) | Funds Available as at 30.06.2025 (Kshs) | Unfunded (Kshs) |
|----------------------------|--------------------------|--|---|--|--|--------------------|
| | | a | b | c=(a-b) | d | e=(c-d) |
| Domestic Taxes Department | VAT | 47,852,812,732 | 32,820,182,730 | 15,032,630,002 | 5,384,492 | 15,027,245,510 |
| | Income Tax | 36,949,690,626 | 34,859,884,584 | 2,089,806,041 | 73,206,973 | 2,016,599,068 |
| | Excise Domestic | 163,991,447 | 163,991,447 | - | - | - |
| | Subtotal | 84,966,494,805 | 67,844,058,762 | 17,122,436,043 | 78,591,465 | 17,043,844,578 |
| Custom Services Department | Import Duty | 131,059,690 | - | 131,059,690 | - | 131,059,690 |
| | Excise Duty | 436,532,876 | - | 436,532,876 | - | 436,532,876 |
| | Sub-Total | 567,592,566 | - | 567,592,566 | - | 567,592,566 |
| | Grand Total | 85,534,087,371 | 67,844,058,762 | 17,690,028,609 | 78,591,465 | 17,611,437,144 |

(Viii) Statement of Waivers and Tax Variations as at 30th June,2025 & 30th June 2024.

| Department | Year which waiver/variation relates | For the period ended 30th June 2025 (Kshs) | For the period ended 30th June 2024 (Kshs) | Main Reasons for Waiver/Variation | The law in terms of which the variation/waiver was granted |
|----------------|---|---|---|--|--|
| Domestic Taxes | July 2024 to June 2025 & July 2023 to June 2024 | 95,645,263,480 | 507,521,056,692 | <ul style="list-style-type: none"> - Financial Hardship, Natural calamities, professional mishandling. - Being a student - Waived on Medical ground - Wrong obligation - Court cases (ruled in favour of Taxpayer - Economic Hardship Due To Natural Calamity. | Section 89(7) of the Tax Procedures Act 2015 |

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| | | | | | |
|----------------------------|---|-----------------------|------------------------|---|---|
| Customs and Border Control | July 2024 to June 2025 & July 2023 to June 2024 | 358,953,349 | 9,844,025,945 | - Economic hardship due to natural Calamity. - Delays In clearance due to Civil Strife, processing of documents, Investigations, -KEBS processes | Regulation 85 of the East African Community Customs Management Regulations(EACCMR) 2010 |
| Total | | 96,004,216,829 | 517,365,082,637 | | |

ix) Statement of Tax offsets for the year ended 30th June, 2025

| Tax head | FY 2024/25 | | | Total |
|-------------------------|--|--|--|-----------------------|
| | Instalments Adjustment Voucher(IAV) Kshs. | Over Payment Adjustment Voucher (OAV) Kshs. | Refund Adjustment Voucher (RAV) Kshs. | |
| Domestic VAT | - | 5,730,448,222 | 350,618,267 | 6,081,066,489 |
| PAYE | - | 5,265,091,730 | 5,156,588,081 | 10,421,679,811 |
| Corporation Tax | 23,603,664,460 | 3,506,492,691 | 1,511,418,783 | 28,621,575,934 |
| Excise | - | 1,074,596,340 | 201,047,214 | 1,275,643,554 |
| Withholding | - | 133,641,696 | 165,440,098 | 299,081,794 |
| Rent Income (MRI) | - | 33,819,209 | 130,018 | 33,949,227 |
| VAT - Withholding | - | 29,293,151 | 399,749,283 | 429,042,434 |
| Rent Income Withholding | - | - | 1,783,382 | 1,783,382 |
| Resident Individual | - | 411,570,027 | - | 411,570,027 |
| Non-Resident Individual | - | 14,286,427 | - | 14,286,427 |
| Turnover Tax | - | 261,890 | - | - |
| Total DTD | 23,603,664,460 | 16,199,501,382 | 7,786,775,126 | 47,589,679,078 |

Note:

1. Instalments Adjustment Voucher(IAV)- These are overpayments arising from Income Tax/ instalment Taxes.
2. Over Payment Adjustment (OAV)- Taxes overpaid across all other Taxes excluding Income Tax Instalments
3. Refund Adjustment Voucher (RAV)- Approved Refunds claims not paid within Six months of approval.

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20.20. (A) Central Bank of Kenya (CBK) Refund Payment Accounts Movement Schedule for year ended 30th June, 2025.

| Payment Account | Opening balance as per CBK accounts as at 01/7/2024 | Provision for Refund | Receipts/Returned payments | Total Amount available | Refunds Payments for the period | Remittances to Principals | Amount for Error correction/Re-allocation | Closing bank Balances as at 30.06.2025 |
|-----------------------------------|---|-----------------------|----------------------------|------------------------|---------------------------------|---------------------------|---|--|
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. |
| Customs Services Payments Account | 4,649,658,765 | 1,933,000,000 | 133,770,947,970 | 140,353,606,734 | 2,043,402,773 | 131,253,333,810 | 14,490,523 | 7,042,379,628 |
| Income Tax Payments Account | 32,106,036 | 603,031,576 | 396,920,474 | 1,032,058,086 | 529,788,659 | - | 416,336,085 | 85,933,342 |
| Value Added Tax Payments Account | 17,470,662 | 30,000,000,000 | 3,829,500 | 30,021,300,162 | 28,910,769,088 | - | 1,105,000,000 | 5,531,074 |
| Stamp Duty Payment Account | 5,982,411 | - | - | 5,982,411 | 1,362,481 | - | 4,619,930 | - |
| TOTAL | 4,705,217,873 | 32,536,031,576 | 134,171,697,944 | 171,412,947,393 | 31,485,323,001 | 131,253,333,810 | 1,540,446,538 | 7,133,844,044 |

Note;

The above tables 20.20(A) reflects funds movement in the Refunds Payment Accounts held at the Central bank of Kenya. The funds and disbursements on each account is explained as follows;

- i. The Customs Payment Account receives funds allocated for payment of customs refunds and Agency revenues that are subsequently remitted to the agency principals.
- ii. The VAT Payment Account receives funds allocated for VAT refunds and reflects payments made for approved VAT refund claims.
- iii. The Excise Duty Payment Account receives funds allocated for both Excise refunds and reflects payment made for approved refunds claims.

B) Statement of utilization of Funds allocated for Refunds as at 30th June, 2025.

| Payment Account | Opening balance as per CBK accounts as at 01/7/2024 | Provision for Refund | Receipts/Returned payments | Total Amount available | Refunds Payments for the period | Remittances to Principals | Amount for Error correction | Total Payments | % utilization |
|-----------------------------------|---|-----------------------|----------------------------|------------------------|---------------------------------|---------------------------|-----------------------------|------------------------|---------------|
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | |
| Customs Services Payments Account | 4,649,658,765 | 1,933,000,000 | 133,770,947,970 | 140,353,606,734 | 2,043,402,773 | 131,253,333,810 | 14,490,523 | 133,311,227,106 | 95% |
| Income Tax Payments Account | 32,106,036 | 603,031,576 | 396,920,474 | 1,032,058,086 | 529,788,659 | - | 416,336,085 | 946,124,744 | 92% |
| Value Added Tax Payments Account | 17,470,662 | 30,000,000,000 | 3,829,500 | 30,021,300,162 | 28,910,769,088 | - | 1,105,000,000 | 30,015,769,088 | 100% |
| Stamp Duty Payment Account | 5,982,411 | - | - | 5,982,411 | 1,362,481 | - | 4,619,930 | 5,982,411 | 100% |
| TOTAL | 4,705,217,873 | 32,536,031,576 | 134,171,697,944 | 171,412,947,393 | 31,485,323,001 | 131,253,333,810 | 1,540,446,538 | 164,279,103,349 | 96% |

21. APPENDICES

(i) Customs and Border Control Department

The following is a detailed collection analysis of Customs Services Department

Statement of Comparison of Budget/ Target and actual amounts by Department

| Tax Head | Actual for the year ended 30th June 2025 | | |
|---------------------------------------|--|------------------------|-------------------|
| | Target | Actual Receipts | % target realised |
| | Kshs. | Kshs. | % |
| <i>Exchequer</i> | | | |
| Gross Import Duty | 153,677,452,905 | 157,977,885,405 | 103% |
| Gross Excise Duty - Imports | 123,376,118,032 | 126,020,137,649 | 102% |
| VAT - Imports | 330,973,103,063 | 333,434,974,543 | 101% |
| Import Declaration Fees | 57,278,015,836 | 52,375,180,931 | 91% |
| Export and Investment Promotion Levy | - | 1,135,212,606 | - |
| Railway Development Levy | 25,217,000,000 | 36,820,161,586 | 146% |
| Sub-Gross total Exchequer | 690,521,689,836 | 707,763,552,720 | 102% |
| Less: Prov. for Refunds(Import Duty) | (180,000,000) | (108,000,000) | 60% |
| Less: Prov. for Refunds(Excise Duty) | (720,000,000) | (720,000,000) | 100% |
| Net total Exchequer | 689,621,689,836 | 706,935,552,720 | 103% |
| <i>Agency</i> | | | |
| Airport Revenue | 19,350,850,276 | 18,026,019,411 | 93% |
| Aviation Revenue | - | 74,219,760 | - |
| Petroleum Development Fund | 30,853,564,284 | 26,373,390,397 | 85% |
| Road Maintenance Levy | 84,634,000,000 | 119,662,011,868 | 141% |
| K.A.A. Concession Fees | 185,007,956 | 167,233,974 | 90% |
| Road Transit Toll Levy | 1,300,000,000 | 1,952,122,507 | 150% |
| Solatium Compensation Contribution | - | 425,867,063 | - |
| Petroleum Regulatory Levy | 2,012,562,593 | 3,642,508,847 | 181% |
| Merchant Superintendent Shipping Levy | 2,410,329,148 | 2,051,312,230 | 85% |
| Miscellaneous | 11,193,895 | 19,010,171 | 170% |
| Sub-total Agency | 140,757,508,151 | 172,393,696,228 | 122% |
| Total CSD | 830,379,197,988 | 879,329,248,948 | 106% |

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(ii) Domestic Taxes Department

The following is the detailed collection analysis for Domestic Taxes Department;

Statement of Comparison of Budget/ Target and actual amounts by Department

| Tax Head | Actual for the year ended 30th June 2025 | | |
|--|--|--------------------------|------------------------|
| | Target Kshs. | Actual Receipts Kshs. | % target realised % |
| Treasury/Exchequer | | | |
| VAT-Gross Collection | 360,629,804,211 | 357,336,069,432 | 99% |
| Less Provision for Refunds | (30,000,000,000) | (30,000,000,000) | 100% |
| VAT Domestic | 330,629,804,211 | 327,336,069,432 | 99% |
| P. A. Y. E | 566,600,780,136 | 560,962,501,608 | 99% |
| Other Income Taxes | 552,435,394,503 | 515,371,550,532 | 93% |
| Turnover Tax | 486,660,141 | 396,932,054 | 82% |
| Capital gain Tax | 5,775,228,939 | 6,237,191,978 | 108% |
| Rental Income | 17,791,549,694 | 13,667,111,675 | 77% |
| Excise Duty Domestic | 71,369,185,387 | 69,385,239,164 | 97% |
| Excise Tax on Airtime | 37,628,478,024 | 39,041,278,713 | 104% |
| Excise Tax on Financial Services | 54,000,509,036 | 50,562,994,084 | 94% |
| Excise Tax on Betting Services | 11,287,822,883 | 13,233,129,987 | 117% |
| Betting Tax | 5,494,579,284 | 5,699,905,273 | 104% |
| Stamp Duty | - | 172,047,198 | - |
| Land Rent | - | 92,317,487 | - |
| Surplus Plus | - | 9,563,350,721 | - |
| Digital Service Tax | 819,084,870 | 345,541,446 | 42% |
| Significant Economic Presence Tax(SEP) | - | 461,087,327 | - |
| Sub-Total Exchequer Revenue | 1,654,319,077,109 | 1,612,528,248,679 | 97% |
| Agency Revenue | | | |
| KEBS - Levy | 658,458,421 | 703,234,165 | 107% |
| Housing Levy | 64,688,537,398 | 73,198,337,342 | 113% |
| NITA Levy | 1,344,183,507 | 1,506,132,247 | 112% |
| Total Agency | 66,691,179,326 | 75,407,703,754 | 113% |
| TOTAL DTD | 1,721,010,256,434 | 1,687,935,952,433 | 98% |

(iii) Road Transport Department

The following is the detailed collection analysis for Traffic Revenue;

Statement of Comparison of Budget/ Target and actual amounts by Department

| Tax Head | Actual for the year ended 30th June 2025 | | |
|------------------|--|--------------------------|------------------------|
| | Target Kshs. | Actual Receipts Kshs. | % target realised % |
| Exchequer | 3,321,581,941 | 3,600,157,174 | 108% |
| Agency | 373,519,740 | 474,408,282 | 127% |
| Total RTD | 3,695,101,681 | 4,074,565,456 | 110% |

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(iv) (a) Classification of revenues into Tax Period or Registration Date

| Departments | Actual collections for the year ended 30th June, 2025 | | | | Earned Revenue but not received | Total Actual Receipts & Earned Revenue for the year ended 30th June, 2025 |
|---------------------------------------|---|--------------------|-------------|------------------------------------|---------------------------------|---|
| | Current tax Period | Prior Tax Period | Prepayments | Total Actual Receipts FY 2024-2025 | | |
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. |
| Customs and Border Control | | | | | | - |
| Gross Import Duty | 157,805,075,580 | 172,809,825 | | 157,977,885,405 | 4,472,346,677 | 162,450,232,082 |
| Gross Excise Duty - Imports | 125,998,741,513 | 21,396,136 | | 126,020,137,649 | | 126,020,137,649 |
| VAT - Imports | 332,476,287,348 | 67,809,127 | | 332,544,096,475 | | 332,544,096,475 |
| Import Declaration Fees | 52,370,080,892 | 5,100,039 | | 52,375,180,931 | | 52,375,180,931 |
| Export and Investment Promotion Levy | 1,135,212,606 | - | | 1,135,212,606 | | 1,135,212,606 |
| Railway Development Levy | 36,816,489,089 | 3,672,497 | | 36,820,161,586 | | 36,820,161,586 |
| Anti-Adulteration levy | 890,878,068 | - | | 890,878,068 | | 890,878,068 |
| Airport Revenue | 18,026,019,411 | - | | 18,026,019,411 | | 18,026,019,411 |
| Aviation Revenue | 74,219,760 | - | | 74,219,760 | | 74,219,760 |
| Petroleum Development Fund | 26,373,390,295 | 102 | | 26,373,390,397 | | 26,373,390,397 |
| Road Maintenance Levy | 119,662,011,868 | - | | 119,662,011,868 | | 119,662,011,868 |
| K.A.A. Concession Fees | 167,088,724 | 145,250 | | 167,233,974 | | 167,233,974 |
| Road Transit Toll Levy | 1,952,122,507 | - | | 1,952,122,507 | | 1,952,122,507 |
| Solatum Compensation Contribution | 425,867,063 | - | | 425,867,063 | | 425,867,063 |
| Petroleum Regulatory Levy | 3,642,508,847 | - | | 3,642,508,847 | | 3,642,508,847 |
| Merchant Superintendent Shipping Levy | 2,051,303,756 | 8,474 | | 2,051,312,230 | | 2,051,312,230 |
| Miscellaneous | 19,010,171 | - | | 19,010,171 | | 19,010,171 |
| Total Customs Collections | 879,886,307,498 | 270,941,450 | | 880,157,248,948 | 4,472,346,677 | 884,629,595,625 |
| Domestic Taxes Department | | | | | Kshs. | Kshs. |
| Gross VAT - Domestic | 242,854,743,644 | 34,604,693,618 | 50,000 | 277,459,487,262 | 60,203,593,454 | 337,663,080,716 |
| VAT Withholding | 78,730,378,761 | 1,146,203,409 | | 79,876,582,170 | - | 79,876,582,170 |
| Other Income Taxes | 299,443,499,092 | 215,910,772,715 | 17,278,725 | 515,371,550,532 | 32,895,427,799 | 548,266,978,331 |
| Capital Gains Tax | 5,263,620,869 | 973,571,109 | | 6,237,191,978 | 1,581,563,851 | 7,818,755,829 |
| Rental Income - MRI & WHT | 12,177,834,407 | 1,489,277,268 | | 13,667,111,675 | 1,234,019,380 | 14,901,131,055 |
| Surplus Funds | 9,563,350,721 | - | | 9,563,350,721 | - | 9,563,350,721 |
| P.A.Y.E | 522,146,425,748 | 38,816,075,860 | | 560,962,501,608 | 54,822,783,998 | 615,785,285,606 |
| Excise Duty - Domestic | 65,823,877,543 | 3,561,361,621 | | 69,385,239,164 | 1,316,106,643 | 70,701,345,808 |
| Excise Tax on Air Time | 36,060,766,811 | 2,980,511,903 | | 39,041,278,713 | - | 39,041,278,713 |
| Excise Duty on Financial Services | 46,097,941,816 | 4,465,052,268 | | 50,562,994,084 | - | 50,562,994,084 |
| Excise Tax on Betting Services | 12,808,254,962 | 424,875,025 | | 13,233,129,987 | - | 13,233,129,987 |
| Excise Duty on Advertisement | - | - | | - | - | - |

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| Departments | Actual collections for the year ended 30th June, 2025 | | | | Earned Revenue but not received | Total Actual Receipts & Earned Revenue for the year ended 30th June, 2025 |
|--|---|------------------------|-------------------|------------------------------------|---------------------------------|---|
| | Current tax Period | Prior Tax Period | Prepayments | Total Actual Receipts FY 2024-2025 | | |
| | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. | Kshs. |
| Betting Tax | 5,276,464,914 | 423,440,359 | | 5,699,905,273 | - | 5,699,905,273 |
| Land Rent | 89,217,253 | 3,100,234 | | 92,317,487 | - | 92,317,487 |
| Turnover Tax | 329,752,696 | 67,178,758 | 600 | 396,932,054 | 62,739,021 | 459,671,075 |
| Digital Service Tax (DST) | 291,794,352 | 53,747,094 | | 345,541,446 | 8,776,525 | 354,317,971 |
| KEBS Levy | 583,282,706 | 119,951,459 | | 703,234,165 | | 703,234,165 |
| Housing Levy | 68,925,777,840 | 4,272,559,502 | | 73,198,337,342 | | 73,198,337,342 |
| NITA Levy | 1,395,177,918 | 110,954,329 | | 1,506,132,247 | | 1,506,132,247 |
| Stamp Duty | 172,041,197 | 6,000 | | 172,047,197 | | 172,047,197 |
| Significant Economic Presence Tax(SEP) | 461,087,327 | - | | 461,087,327 | 56,578,693 | 517,666,020 |
| Total Domestic Taxes | 1,408,495,290,576 | 309,423,332,531 | 17,329,325 | 1,717,935,952,432 | 152,181,589,364 | 1,870,117,541,797 |
| Traffic Revenue | 4,074,385,484 | 179,972 | | 4,074,565,456 | | 4,074,565,456 |
| Grand Total | 2,292,455,983,558 | 309,694,453,953 | 17,329,325 | 2,602,167,766,836 | 156,653,936,041 | 2,758,821,702,878 |

*Note that all actual receipts irrespective of the Tax period were accounted for as receipts for the current year in harmony with the National government budget/Target setting.

(iv) (b) Earned Revenue (Receivables) Components & Total Revenue.

| Description | Notes | Earned Revenue Components & Totals | | |
|---|-------|------------------------------------|--|----------------------|
| | | Receivables for the year | Actual Receipts for the year ended 30th June, 2025 | Total Earned Revenue |
| | | KShs. | KShs. | KShs. |
| Revenue from non-exchange transactions | | | | |
| Taxes on Income, Profits and Capital Gains | 20.1 | 90,661,889,267 | 1,097,441,916,619 | 1,188,103,805,886 |
| Taxes on Property | 20.2 | - | 264,364,684 | 264,364,684 |
| Taxes on Goods and Services | 20.3 | 61,519,700,097 | 989,013,823,573 | 1,050,533,523,671 |
| Taxes on International Trade & Transactions | 20.4 | 4,472,346,677 | 210,353,066,336 | 214,825,413,013 |
| Betting Tax | 20.5 | - | 5,699,905,273 | 5,699,905,273 |
| Railway Development Levy | 20.6 | - | 36,820,161,586 | 36,820,161,586 |
| Export and Investment Promotion Levy | 20.7 | - | 1,135,212,606 | 1,135,212,606 |
| Other Traffic Revenue | 20.8 | - | 179,953,962 | 179,953,962 |
| Revenue from Exchange transactions | | | | |
| Sales of Goods and Services (Traffic Fees) | 20.9 | - | 1,238,467,263 | 1,238,467,263 |
| Fees on use of Goods/Services(Licences under Traffic Act) | 20.10 | - | 2,181,735,949 | 2,181,735,949 |
| Property Income Tax(Surplus Funds) | 20.11 | - | *9,563,350,721 | 9,563,350,721 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| | | | | | |
|---|--|-------------------|-----------------|-------------------|-------------------|
| 1 | Total Treasury Collections & Receivables | | 156,653,936,041 | 2,353,891,958,573 | 2,510,545,894,614 |
| | (a) Agency collections | 20.12 | - | 248,256,798,093 | 248,256,798,093 |
| | (b) AIA Revenue(Miscellaneous Revenue) | 20.13 | - | 19,010,171 | 19,010,171 |
| 2 | Total Collections & Receivables for the Year excluding Nairobi County Government Collections | | 156,653,936,041 | 2,602,167,766,837 | 2,758,821,702,878 |
| | Nairobi County Government Collections | 20.14 | - | 583,510,751 | 583,510,751 |
| | Unallocated Revenue Balance & Excise Stamps | 20.18(E) i,ii&iii | - | 124,715,380 | 124,715,380 |
| | Funds available for transfer from prior years & Error corrections/Adjustments | 20.18(iv) | - | 37,608,120,693 | 37,608,120,693 |
| 3 | Total Collections & Receivables for the year including NCCG & Unallocated Revenue Balance | | 156,653,936,041 | 2,640,484,113,661 | 2,797,138,049,702 |
| | Accounted for as follows: | | | | |
| | Transfers/Disbursements | | - | | |
| | Transfers to Treasury and Fund Accounts | 20.15 | - | 2,323,696,364,640 | 2,323,696,364,640 |
| | Transfers to Principals | 20.16(A) | - | 241,331,935,853 | 241,331,935,853 |
| | AIA-Revenue | 20.16(B) | - | 18,045,201 | 18,045,201 |
| | Transfers to County Revenue Fund A/C and related Charges | 20.16(C) | - | 607,012,605 | 607,012,605 |
| | Agency commissions and 16%VAT deducted | 20.17 | - | 4,435,952,107 | 4,435,952,107 |
| | Refund Payments | 20.20(A) | - | 31,485,323,001 | 31,485,323,001 |
| | Total transfers and commissions | | | 2,601,574,633,406 | 2,601,574,633,406 |
| | Cash in Transit & Revenue Receivables/Payables | | 156,653,936,041 | 38,909,480,255 | 195,563,416,296 |

v) Classification of Revenue according to the collection source

| Tax Head | Payments made through Payment Gateway(i-Tax, iCMS) | Payments made through Directly to Kenya KRA accounts | Payments made through Common Cash Receipting System(CCRS) | Payments made through Old e-Citizen platform | Total |
|--|--|--|---|--|-----------------|
| Customs & Border Control Department | | | | | |
| Gross Import Duty | 157,888,013,731 | 87,128,308 | 2,743,366 | | 157,977,885,405 |
| Gross Excise Duty - Imports | 125,818,768,237 | 201,130,052 | 239,360 | | 126,020,137,649 |
| VAT - Imports | 332,497,481,415 | 41,460,970 | 5,154,090 | | 332,544,096,475 |
| Import Declaration Fees | 52,368,178,188 | 6,202,552 | 800,191 | | 52,375,180,931 |
| Export and Investment Promotion Levy | 1,135,212,606 | | - | | 1,135,212,606 |
| Railway Development Levy | 36,815,059,826 | 4,621,870 | 479,890 | | 36,820,161,586 |
| Anti-Adulteration levy | 890,878,068 | | - | | 890,878,068 |
| Airport Revenue | 5,500,164,934 | 158,001 | 12,525,696,476 | | 18,026,019,411 |
| Aviation Revenue | | | 74,219,760 | | 74,219,760 |
| Petroleum Development Fund | 26,372,016,713 | 1,373,684 | - | | 26,373,390,397 |

KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| | | | | | |
|--|--------------------------|------------------------|-----------------------|------------------|--------------------------|
| Road Maintenance Levy | 119,656,214,323 | 5,797,545 | - | | 119,662,011,868 |
| K.A.A. Concession Fees | 167,095,724 | 135,500 | 2,750 | | 167,233,974 |
| Road Transit Toll Levy | 1,951,276,149 | 318,674 | 527,684 | | 1,952,122,507 |
| Solatum Compensation Contribution | 425,867,063 | | - | | 425,867,063 |
| Petroleum Regulatory Levy | 3,642,330,793 | 178,054 | - | | 3,642,508,847 |
| Merchant Superintendent Shipping Levy | 2,050,664,683 | 647,547 | - | | 2,051,312,230 |
| Miscellaneous | 19,005,471 | | 4,700 | | 19,010,171 |
| Subtotal CB&C | 867,198,227,924 | 349,152,757 | 12,609,868,267 | - | 880,157,248,948 |
| Gross VAT - Domestic | 276,719,789,545 | 739,697,717 | | | 277,459,487,262 |
| VAT Withholding | 75,359,976,463 | 4,516,605,707 | | | 79,876,582,170 |
| Other Income Taxes | 496,259,233,450 | 19,112,317,082 | | | 515,371,550,532 |
| Capital Gains Tax | 6,234,507,364 | 2,684,614 | | | 6,237,191,978 |
| Rental Income - MRI & WHT | 13,383,851,952 | 283,259,723 | | | 13,667,111,675 |
| Surplus Funds | - | 9,563,350,721 | | | 9,563,350,721 |
| P.A.Y.E | 418,405,777,033 | 142,556,724,575 | | | 560,962,501,608 |
| Excise Duty - Domestic | 69,374,840,773 | 10,398,391 | | | 69,385,239,164 |
| Excise Tax on Air Time | 39,041,278,713 | 0 | | | 39,041,278,713 |
| Excise Duty on Financial Services | 50,562,550,636 | 443,448 | | | 50,562,994,084 |
| Excise Tax on Betting Services | 13,233,129,987 | - | | | 13,233,129,987 |
| Excise Duty on Advertisement | - | - | | | - |
| Betting Tax | 5,699,889,153 | 16,120 | | | 5,699,905,273 |
| Land Rent | 55,092,254 | 37,225,233 | | | 92,317,487 |
| Turnover Tax | 396,911,359 | 20,695 | | | 396,932,054 |
| Digital Service Tax (DST) | 345,541,446 | - | | | 345,541,446 |
| KEBS Levy | 703,190,933 | 43,232 | | | 703,234,165 |
| Housing Levy | 51,610,250,656 | 21,588,086,686 | | | 73,198,337,342 |
| NITA Levy | 1,119,529,113 | 386,603,134 | | | 1,506,132,247 |
| Stamp Duty | 6,000 | 172,041,197 | | | 172,047,197 |
| Significant Economic Presence Tax(SEP) | 461,087,327 | - | | | 461,087,327 |
| Subtotal DTD | 1,518,966,434,157 | 198,969,518,275 | - | - | 1,717,935,952,432 |
| Traffic revenue | 4,068,166,745 | 2,917,861 | 5,005 | 3,475,845 | 4,074,565,456 |
| Subtotal TRD | 4,068,166,745 | 2,917,861 | 5,005 | 3,475,845 | 4,074,565,456 |
| Grand Total | 2,390,232,828,827 | 199,321,588,892 | 12,609,873,272 | 3,475,845 | 2,602,167,766,836 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

(vi) Classification of revenues into those with binding arrangements and those Non-binding arrangements

| Revenue Item | Classification | | Remark |
|--|--------------------------|-------------------------|---|
| | With Binding arrangement | Non-Binding arrangement | |
| Departments | | ✓ | |
| Customs & Border Control | | ✓ | |
| Gross Import Duty | | ✓ | |
| Gross Excise Duty - Imports | | ✓ | |
| VAT - Imports | | ✓ | |
| Import Declaration Fees | | ✓ | |
| Export and Investment Promotion Levy | | ✓ | |
| Railway Development Levy | | ✓ | |
| Merchant Superintendent Shipping Levy | ✓ | | |
| Solatum Compensation Contribution | ✓ | | |
| Airport Revenue | ✓ | | These are only classified as binding to the extent that KRA earns a commission therefrom. |
| K.A.A. Concession Fees | ✓ | | |
| Road Transit Toll Levy | ✓ | | |
| Road Maintenance Levy | ✓ | | |
| Aviation Revenue | ✓ | | |
| Petroleum Regulatory Levy | ✓ | | |
| Petroleum Development Fund | ✓ | | This 100% KRA own revenue |
| Miscellaneous(AIA) | | | |
| Domestic Taxes | | ✓ | |
| VAT-Gross Collection | | ✓ | |
| P. A. Y. E | | ✓ | |
| Other Income Taxes | | ✓ | |
| Turnover Tax | | ✓ | |
| Capital gain Tax | | ✓ | |
| Rental Income | | ✓ | |
| Excise Duty Domestic | | ✓ | |
| Excise Tax on Airtime | | ✓ | |
| Excise Tax on Financial Services | | ✓ | |
| Excise Tax on Betting Services | | ✓ | |
| Excise Tax on Advertisement | | ✓ | |
| Betting Tax | | ✓ | |
| Stamp Duty | | ✓ | |
| Land Rent | | ✓ | |
| Surplus Plus | | ✓ | |
| Digital Service Tax | | ✓ | |
| Significant Economic Presence Tax(SEP) | | ✓ | |
| KEBS - Levy | ✓ | | |

KENYA REVENUE AUTHORITY

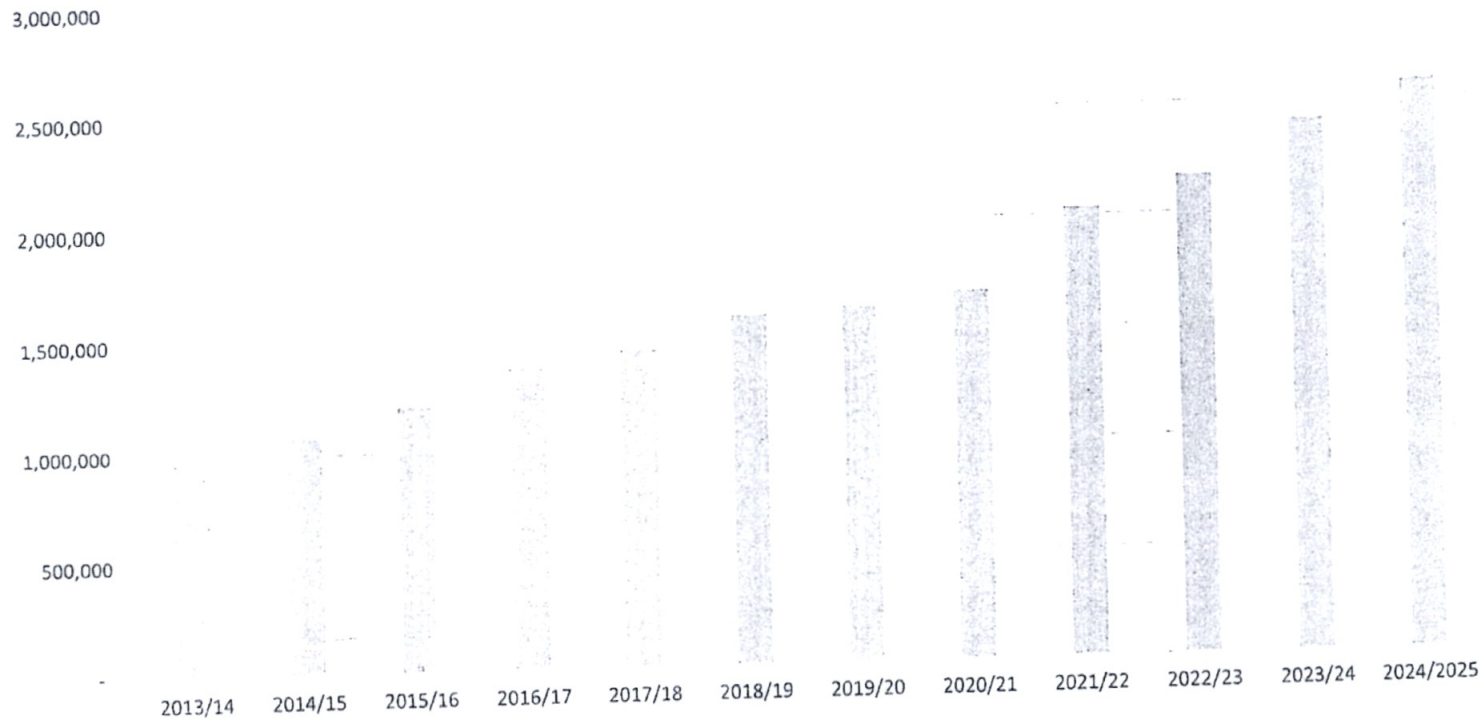
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Revenue Item | Classification | | Remark |
|-----------------------------|--------------------------|-------------------------|---|
| | With Binding arrangement | Non-Binding arrangement | |
| Departments | | | |
| Housing Levy | ✓ | | These are only classified as binding to the extent that KRA earns a commission therefrom. |
| NITA Levy | ✓ | | |
| Road Safety Fund(640) | | ✓ | |
| Driving licence(752) | | ✓ | |
| SHM purchase tax(722) | | ✓ | |
| Registration Fees(740) | | ✓ | |
| Dealers Licence(751) | | ✓ | |
| Foreign Motor Vehicle | | ✓ | |
| Transfer Fees | ✓ | | |
| Sale of N. Plates(601& 602) | ✓ | | |

(vii) Collections trend for the financial years 2013/14 to 2024/25 (Net figures in Kshs Millions)

| Dept | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-----------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| C&BC | | | | | | | | | | | | |
| Exchequer | 289,689 | 313,291 | 325,272 | 352,939 | 375,888 | 423,227 | 414,465 | 500,932 | 598,487 | 619,495 | 663,479 | 706,935 |
| Agency | 42,142 | 45,132 | 60,731 | 90,585 | 94,180 | 102,110 | 96,183 | 123,854 | 130,007 | 134,596 | 127,702 | 172,394 |
| Total C&BC | 331,831 | 358,423 | 386,003 | 443,524 | 470,068 | 525,337 | 510,648 | 624,786 | 728,494 | 754,090 | 791,181 | 879,329 |
| DTD | | | | | | | | | | | | |
| Exchequer | 626,335 | 705,718 | 808,702 | 917,061 | 961,406 | 1,049,912 | 1,092,126 | 1,038,691 | 1,296,640 | 1,399,541 | 1,551,404 | 1,612,529 |
| Agency | 1,966 | 1,508 | 1,543 | 581 | 506 | 511 | 560 | 605 | 960 | 1402.89159 | 55,996 | 75,408 |
| Total DTD | 628,301 | 707,226 | 810,245 | 917,642 | 961,912 | 1,050,423 | 1,092,686 | 1,039,297 | 1,297,600 | 1,400,944 | 1,607,400 | 1,687,937 |
| TRD | | | | | | | | | | | | |
| Exchequer | 2,959 | 2,964 | 2,859 | 3,060 | 2,961 | 3,834 | 3,592 | 4,584 | 4,421 | 4,400 | 4,406 | 3,600 |
| Agency | 732 | 982 | 1,052 | 1,042 | 405 | 468 | 415 | 586 | 511 | 391 | 335 | 474 |
| Total DTD | 3,691 | 3,946 | 3,911 | 4,102 | 3,366 | 4,302 | 4,007 | 5,170 | 4,932 | 4,791 | 4,741 | 4,075 |
| Exchequer | 918,983 | 1,021,973 | 1,136,833 | 1,273,060 | 1,340,255 | 1,476,973 | 1,510,183 | 1,544,207 | 1,899,547 | 2,023,436 | 2,219,289 | 2,323,065 |
| Agency | 44,840 | 47,622 | 63,326 | 92,208 | 95,091 | 103,089 | 97,158 | 125,046 | 131,478 | 136,390 | 184,033 | 248,276 |
| Total | 963,823 | 1,069,595 | 1,200,159 | 1,365,268 | 1,435,346 | 1,580,062 | 1,607,341 | 1,669,253 | 2,031,025 | 2,159,826 | 2,403,322 | 2,571,340 |

KRA Revenue performance for FY 2013-2014 to FY 2024-2025 Annual
Revenue collections in Kshs. (Millions)



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(viii) Reconciliation between the KRA collections and the Treasury Figures for the year ended 30th June, 2025 (Published)

| Reconciliation item | | Kshs | Kshs |
|--|--|------------------|-------------------|
| Gross Treasury collections as per the KRA Records (Notes 14 & 17) | | | 2,353,891,958,573 |
| ADD: | KRA Collections for Financial year 2023-2024 received by The National Treasury in the current Financial year 2024-2025 (CIT) | 8,548,218,926 | |
| | Collections Received in CBK in July 2025 backdated to June 2025 by National Treasury | 3,845,854,137 | 12,394,073,063 |
| LESS: | | | |
| | Provision for Refunds (Note 13.19. (A)(i)) net of the amount of Kshs. 1,108,031,576 of re-allocation of funds between Stamp Duty Payment Account , Income Tax Payment Accounts ,VAT Payment Account & Customs Payment Account. | (31,428,000,000) | |
| | Closing Cash-in Transit & adjustments/Error corrections | (6,510,103,000) | |
| | KRA Collections received in CBK in July 2024 backdated by the National Treasury to Financial year 2023-2024 | (7,936,334,558) | |
| | Amounts Remitted to Fund Accounts | | |
| | Railway Development Levy Fund account remittances | (36,820,161,586) | |
| | Amount remitted to Sports Fund | (15,514,543,397) | |
| | Amount (10% of IDF) Transferred to AU and other Subscriptions Account from IDF account | (5,301,410,909) | |
| | Export and Investment Promotion Industry Levy Collections | (1,348,317,722) | |
| | | | (104,858,871,172) |
| Total Treasury figures including Traffic fees and Land Rent | | | 2,261,427,160,464 |
| | Items classified as Non Tax by The National Treasury | | |
| | Traffic Revenue | (3,522,642,182) | |
| | Land Rent | (92,854,818) | (3,615,497,000) |
| Published Treasury figures for FY 2024-2025 | | | 2,257,811,663,464 |

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ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

(ix) Progress on Follow Up of Prior Year Auditor-General Recommendations

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|--|--|--------------|-------------|
| 1 | <p>Non-Collection of Capital Gains Tax</p> <p>The statement of revenue collections and transfers reflects taxes on income, profits and capital gains of Kshs. 1,048,743,369,140 as disclosed in Note 17.1 to the revenue statements. The amount includes Kshs. 8,380,999,876 was in respect of capital gains tax. Analysis of stamp duty collection reports between the month July to November 2023 revealed that 2711 properties valued at Kshs. 33,238,026,008 were transferred during the financial year. Included in the properties were 2,421 properties valued at Kshs. 25,775,394,504 which did not collect capital gains tax revenue amounting to Kshs. 1,288,769,725. Further, there was no evidence provided to indicate that trend analysis/monitoring was done to allow for compliance audit and additional assessment.</p> <p>In the circumstances, the accuracy and completeness of the capital gains tax of Kshs. 8,380,999,876 could not be confirmed</p> | <p>The Audit computation of Capital gains tax of Kshs 1,106,263,721 on the 2421 properties included transactions exempted from capital gains tax.</p> <p>In view of the above and as a result of the ongoing review by the process owners tax amounting to Kshs. 6,848,990.00 has been collected, 125 cases amounting to Kshs. 78,989,529.25 have been reconciled as uncollectible being either duplicate or exempt cases.</p> | Not Resolved | 31/12/2025 |
| 2 | <p>Unreconciled Customs Duty (Import Duty)</p> <p>The statement of revenue collections and transfers reflects total treasury collections of Kshs. 2,250,179,782,780. Review of Customs duties (Import Duty) tax collections supporting schedules indicated that the Authority collected customs duties totalling Kshs. 133,448,662,626. Out of the amount, Kshs 48,735,649 was collected through CBK direct credits/payments as revenue collections not applied to taxpayers. However, the amount was not separately disclosed in the revenue accountability statement.</p> <p>In the circumstances, the accuracy and completeness of the total treasury collections of Kshs.2,250,179,782,780 could not be confirmed.</p> | <p>A comprehensive disclosure on the sources of revenue, inclusive of the existence of direct credits was made as a footnote no. 4 to the "Statement of The Revenue Collection and Transfers" in the Revenue Accountability Statement (RAS). It reads as follows;</p> <p>"4. These collections arise from receipts from KRA Systems (Payment Gateway & Common Cash Receipting System) and Bank statements for direct credits and Unallocated. The Direct credits are transactions remitted to CBK and accounted for under the Tax Head. While the Unallocated is defined in Note1 7.17(E) i&ii".</p> <p>Therefore, disclosure on the sources of revenue, inclusive of the existence of direct credits was already made in the Revenue Accountability Statement (RAS) and the details provided in the Revenue schedules.</p> <p>The comprehensive details of the transactions accounting for the Treasury collections of Kshs. 2,250,179,782,780 were provided in the Auditors' "share drive" link (Folder titled "A1. i-Revenue Reports Schedules Fy 2023-2024") and is also in " A2 vi-Bank Reconciliations Fy 2023-2024 for Audit review. It comprises the list of transactions, Bank Statements, Bank Reconciliation Statements and A Reconciliation between a KRA Treasury figure of Kshs.</p> | Not Resolved | 30/09/2025 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|---|--|--------------|-------------|
| | | 2,250,179,782,780 and the National Treasury is disclosed under Appendix (ix) to the Revenue Accountability Statement. | | |
| 3 | <p>Collection of Revenue on Behalf of the Nairobi City County Government</p> <p>Note 17.13 to the revenue statements reflect revenue of Kshs. 10,938,189,077 collected on behalf of the Nairobi City County Government during the year. The Service Level Agreement (SLA) between the Authority and Nairobi City County Government was entered into through Gazette Notice No.1967 of 6 March, 2020 for a period of 24 months, effective from March, 2020 to March, 2022. The agreement was later extended for 6 months up to September, 2022 through Gazette Notice No.2662 of 31 January, 2022.</p> <p>However, records provided for audit indicated that the Nairobi City County Government continued channelling collections through the Authority's bank accounts up to July, 2024. Although Management indicated that the continued use of the Authority's bank account was to enable smooth transition, no disclosure to this effect has been made in revenue statement. The continued use of the Authority bank accounts for over 21 months without an existing agreement was irregular and unlawful. In the circumstances, the validity of Nairobi City County Government revenue collection of Kshs.10,938,189,977 could not be confirmed.</p> | <p>The disclosure on the Nairobi County Government revenue collection was made as a footnote no. 3 to the to the <i>"Statement of The Revenue Collection and Transfers"</i> in the Revenue Accountability Statement (RAS). It reads as follows;</p> <p><i>"3. *Nairobi County Government Collections are for the period July 2023 to 30th June, 2024. However, the KRA mandate on collections expired on 15th September, 2022. Collections continued to be received in the KRA Accounts to allow for transition of the new County leadership and allow smooth transition of the Revenue Accounts. The transition process was concluded on 31st July, 2024 and the KRA County Accounts subsequently closed."</i></p> <p>KRA and the Nairobi City County Government (NCCG) had entered into a legal relationship under section 160 of the PFM Act. Pursuant to that agreement, the parties entered into a Service Level Agreement which among others authorized KRA to open NCCG revenue collection bank accounts. Even with the expiry of its term of appointment, KRA had a legal and moral obligation to ensure that County services are not disrupted and revenue is not lost during the transition. KRA as a responsible Public entity could not close down the revenue collection bank accounts without the County communicating the new bank accounts to be used for purposes of receiving County revenue. H.E. the Governor had also sought KRA's technical assistance and knowledge transfer in setting up the Nairobi Revenue Authority among other issues and engagements done. It is worth noting that the Service Level Agreement (SLA) did not provide for an expiry period envisaging a transition that would involve appropriate and comprehensive handing over and readiness of the County in putting in place a collection system for smooth continuity. Indeed, within this period, the County Government was able to engage the Ministry of ICT on agreement on a collection system. This aspect is in harmony with the concept of natural justice that requires that the county is able to run, offer Services to citizens and that there is no loss of revenue.</p> <p>KRA severally engaged the NCCG to open its own revenue collection bank accounts and communicate to the Authority without much success to enable complete the transition.</p> | Not Resolved | 30/09/2025 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|---|--|--------------|-------------|
| | | <p>The delay by the NCCG in opening its own bank accounts and integrating them with the revenue collection system was occasioned by the delays in the discussions on ownership and Administrative rights on the system between The National Government through the Ministry of Information Communication & Technology (ICT) and the Nairobi City County Government (NCCG). It is until June 2024 that the NCCG communicated to KRA its new bank accounts which were now integrated with the revenue collection system.</p> <p>Beyond the continued facilitation of collection of County revenue, the Auditors were fully furnished with supporting details of the collections of Kshs 10,938,189,977 comprising the related collection data, bank statements and bank reconciliations via the Auditor "Share drive" link to facilitate independent Audit verification and validity checks on collections by KRA as an independent entity.</p> <p>It is worth noting that the collection of county revenue into the Kenya Revenue Authority's Bank Accounts and Paybill was eventually terminated on 31st July, 2024 and 5th August, 2024.</p> | | |
| 4. | <p>Unreconciled Domestic Taxes Collections (CBK Direct Credits) The statement of revenue collections and transfers reflects total treasury collections of Kshs. 2,250,179,782,780. Review of the domestic tax collections supporting schedule indicated that the Authority collected VAT on Domestic Goods and Services totalling Kshs. 687,549,946 through CBK direct credits/payments. This was yet to be reconciled and updated to the respective taxpayers iTax ledgers. Management explained that continuous reconciliation is undertaken to allocate the received amounts to the specific taxpayers. However, a detailed report on what had been reconciled, allocated and updated in the iTax system was not provided for audit.</p> <p>In the circumstances, the accuracy and completeness of total treasury collections of Kshs.2,250,179,782,780 could not be confirmed.</p> | <p>1. Unreconciled VAT on Domestic Goods and Services collected totalling Kshs. 687,549,946.50 and not updated to the respective taxpayers iTax ledgers As at 30th June 2025, direct credits amounting to Kshs 15,386,041 has been reconciled and updated in the taxpayers' ledgers. The status update of the balance of Ksh. 672,163,905.50 is as follows:</p> <ul style="list-style-type: none"> a) Missing self or additional tax assessments in the system: (Kshs. 384,738,138 – accounting for 53% of the balance) <ul style="list-style-type: none"> • Manual assessments for Africa Oil Turkana (Kshs. 180M) and Africa Oil Kenya (Kshs. 104M), which account for 42% of the balance have now been captured in the iTax system and are currently undergoing payment reconciliation, pending submission of proof of payment from the taxpayers. • Nairobi County - Kshs. 100M awaiting resolution of system challenge to allow for the assessment to be updated on iTax to enable initiation of the payment reconciliation process. b) There has been a delay in the submission of supporting documents by the affected taxpayers, mainly public institutions that remit taxes directly to the Central Bank of Kenya (CBK), thereby bypassing the iTax system. The taxpayers have been engaged and requested to provide the necessary documents to facilitate the reconciliation process. | Not Resolved | 30/06/2026 |

KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|-----------------------------------|--|---------|-------------|
| | | <p>2. Payments reconciled, allocated and updated in the iTax system</p> <p>During the FY 2024/2025 (1st July - 30th June 2025), KRA has reconciled and updated in taxpayers' ledgers direct credits amounting to Kshs. 175,685,166,746.00 out of which Kshs. 117,248,242,246 (67%) relates to the period, June 2024</p> <p>Reconciliation and validation process that is required to enable taxpayers' ledger updates is dependent upon receipt of the requisite payment details and documents from the affected taxpayers in line with approved Procedures manual. To clear the backlog of uncaptured direct credits/payments and proper update of the taxpayers' ledgers, KRA has been undertaking reconciliations on continuous basis. To fast-track the exercise and clear the backlog, KRA has formed a dedicated team to follow up with the concerned taxpayers to reconcile and update the payments in their ledgers. This process entails the following;</p> <ul style="list-style-type: none"> a) Identification of the specific missing payments and affected taxpayers; b) Engagement with the taxpayers to confirm payment details including tax head and period for which the payment was made to enable KRA fully account for the tax paid; c) Continuous sensitization of the taxpayers to timely avail the requisite documents for reconciliation and update. d) System integrations – KRA in conjunction with Treasury, Ministry of Public Service, CBK and other Government Ministries and Agencies have been working on systems integration between the payroll systems (IPPPD/G-pay), IFMIS, CBK system and iTax to provide a permanent solution regarding the direct credits received from public institutions by June 2025. | | |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|---|--|--------------|-------------|
| 5 | <p>Long Outstanding Revenue Debt</p> <p>Appendix vi to the revenue statements reflects an outstanding revenue debt of Kshs. 2,333,928,549,203 as at 30 June, 2024 which was Kshs.1,334,329,081,874 (133.49%) higher than the Kshs.999,599,467,329 reported as at 30 June, 2023. The balance includes additions in arrears for the year under review of Kshs. 2,065,779,034,627. The amount is 91.8% of the total treasury collections of Kshs. 2,250,179,782,780 for the same period an indication that the set targets for the Authority are way below possible tax yield.</p> <p>Further, the debt breakdown includes Kshs. 765,311,932,975 in respect of migrated legacy system debt which was under ledger reconciliation jointly with the taxpayers. Reconciliation process should result in reduction of the debt figures. However, following the reconciliation process, the legacy debt appears to have increased. Details of the additional debt added to legacy in terms of taxpayers, amount and reasons for inclusion were not provided for audit. In addition, the legacy debt migration report provided indicated an amount of Kshs. 450,196,075,880 resulting to unreconciled variance of Kshs. 315,115,857,095.</p> <p>Management explained that debt totalling Kshs. 138,616,534,831 was undergoing review to establish validity which may be a weakness in debt capture, processing and accounting procedures resulting in invalid debt.</p> <p>In the circumstances, the accuracy and completeness of outstanding revenue debt of Kshs. 2,333,928,549,203 could not be confirmed.</p> | <p>1. The outstanding revenue debt of Kshs. 2,333,928,549,203 as at 30th June 2024 was Kshs. 1,334,329,081,874 (133.49%) higher than the Kshs. 999,599,467,329 reported as at 30th June 2023</p> <p>a) The outstanding revenue debt of Kshs. 2,333,928,549,203 as at 30th June 2024 was Kshs. 1,334,329,081,874 (133.49%) higher than the Kshs. 999,599,467,329 reported as at 30th June 2023. The increase in the debt revenue is largely as a result of the following factors;</p> <p>b) In the Revenue Accountability Statement (RAS) for the year ended 30th June 2023, the outstanding revenue debt amounting to Kshs. 999,599,467,329 excluded the following categories of tax debt amounting to Kshs. 541,763,028,833, a fact that was disclosed and explained in that statement;</p> <p>c) Tax in dispute and resolved disputes (Courts, TAT, ADR, Objections) not updated in the taxpayers' ledger amounting to Kshs. 510,500M.</p> <p>i. Erroneous VAT Auto Assessments (VAA) debts amounting to Kshs. 10,313M.</p> <p>ii. Tax waivers of penalties and interest under processing amounting to Kshs. 20,950M.</p> <p>These three (3) debt categories were excluded in the debt portfolio because they were classified as erroneous and uncollectible hence no collection recovery measures could be instituted pending resolution of the issues causing the invalidity. However, OAG in the RAS as at 30th June 2023 questioned why KRA excluded these erroneous and uncollectible debts in the overall debt portfolio and hence, the decision to include them in the revenue debt as at 30th June 2024.</p> <p>b) Legacy System debit balances amounting to Kshs. 765,311,932,975</p> <p>The Legacy System debit balances were validated and migrated to iTax system in June 2024 pending joint re-validation with taxpayers to determine the valid debts by December 2024. This category of debt had been excluded in revenue debt as at June 2023 because of Legacy System limitation relating to data extraction.</p> | Not Resolved | 30/06/2026 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: | | | | | | | | | | | | | | | | | | | | |
|--|-----------------------------------|--|--|-------------|------------------|------------|----------------------------|---------------|----------------|----------------|------------------|-----------------------|--------------------------------|------------|----------------------------|---------------|----------------|-----------------|------------------|------------------------|-----------------------------|------------------------|--|--|
| | | <p>c) New debts arising from current tax assessments (self and additional assessments) during the FY2023/24 that remained uncollected by June 2024.</p> <p>d) Adjustment in the reporting of excess credit balances to align with the provisions of Section 47 of the Tax Procedures Act, because not all excess credits qualify for netting off against outstanding debt balances.</p> <p>2. The debt balance Kshs. 2,065,779,034,627 91.8% of the total treasury collections for the same period a clear indication that the set targets for the Authority are way below possible tax yield. The KRA revenue target for the FY 2023/2024 was not based on the tax and customs arrears as at June 2023 due to the fact that the collectible debt was estimated at Kshs. 95,004,762,592 out of the total debt portfolio of Kshs. 999,599,467,329. The balance of Kshs. 904,594,704,737 was considered as doubtful and uncollectible as demonstrated below;</p> <table border="1"> <thead> <tr> <th colspan="2">Statement of Revenue Debt As At 30th June 2023 (Collectible debt)</th> </tr> <tr> <th>Collectible Debt</th> <th>FY 2022/23</th> </tr> </thead> <tbody> <tr> <td>Customs and Border Control</td> <td>9,498,589,177</td> </tr> <tr> <td>Domestic Taxes</td> <td>85,506,173,415</td> </tr> <tr> <td>Total (a)</td> <td>95,004,762,592</td> </tr> <tr> <th>Doubtful & Un-collectible Debt</th> <th>FY 2022/23</th> </tr> <tr> <td>Customs and Border Control</td> <td>3,690,270,014</td> </tr> <tr> <td>Domestic Taxes</td> <td>900,904,434,723</td> </tr> <tr> <td>Total (b)</td> <td>904,594,704,737</td> </tr> <tr> <td>Grand Total (a + b)</td> <td>999,599,467,329</td> </tr> </tbody> </table> <p>Collection and recovery measures cannot be instituted on the doubtful and uncollectible debts until the pending issues are resolved. The resolution of the pending issues is addressed continuously throughout the financial year.</p> | Statement of Revenue Debt As At 30th June 2023 (Collectible debt) | | Collectible Debt | FY 2022/23 | Customs and Border Control | 9,498,589,177 | Domestic Taxes | 85,506,173,415 | Total (a) | 95,004,762,592 | Doubtful & Un-collectible Debt | FY 2022/23 | Customs and Border Control | 3,690,270,014 | Domestic Taxes | 900,904,434,723 | Total (b) | 904,594,704,737 | Grand Total (a + b) | 999,599,467,329 | | |
| Statement of Revenue Debt As At 30th June 2023 (Collectible debt) | | | | | | | | | | | | | | | | | | | | | | | | |
| Collectible Debt | FY 2022/23 | | | | | | | | | | | | | | | | | | | | | | | |
| Customs and Border Control | 9,498,589,177 | | | | | | | | | | | | | | | | | | | | | | | |
| Domestic Taxes | 85,506,173,415 | | | | | | | | | | | | | | | | | | | | | | | |
| Total (a) | 95,004,762,592 | | | | | | | | | | | | | | | | | | | | | | | |
| Doubtful & Un-collectible Debt | FY 2022/23 | | | | | | | | | | | | | | | | | | | | | | | |
| Customs and Border Control | 3,690,270,014 | | | | | | | | | | | | | | | | | | | | | | | |
| Domestic Taxes | 900,904,434,723 | | | | | | | | | | | | | | | | | | | | | | | |
| Total (b) | 904,594,704,737 | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Total (a + b) | 999,599,467,329 | | | | | | | | | | | | | | | | | | | | | | | |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|-----------------------------------|---|---------|-------------|
| | | <p>Whereas KRA revenue target is largely based on the annual GDP growth and expected inflation, the target allocated to the Authority also takes into account other revenue enhancement measures including legislative changes, reform/automation initiatives and administrative efforts like audits, compliance checks, taxpayer recruitment, debt recoveries, etc.</p> <p>3. Legacy System debit balances amounting to Kshs. 765,311,932,975 and unreconciled variance of Kshs. 315,115,857,095</p> <p>The Legacy System debit balances were validated and migrated to iTax system in June 2024 pending joint re-validation with taxpayers to determine the valid debts by December 2024. This category of debt had been excluded in revenue debt as at June 2023 because of Legacy System limitation relating to data extraction</p> <p>In addition to the migrated Legacy System debit balances, credit balances amounting to Kshs. 315,115,857,095 were migrated. These credit balances are under joint re-validation with taxpayers to determine the validity of the balances to enable utilization of approved credits as per the provisions of Section 47 of the Tax Procedures Act, CAP 469B to offset Legacy System debit balance, existing debts on iTax or future tax liabilities.</p> <p>As at 30th June 2025, the migrated Legacy System debit balances is Kshs. 759,237,250,910 through on-ongoing payment reconciliation and manual update of taxpayers' ledgers including payment of agreed ledger balances.</p> <p>The migrated Legacy System debt reported of Kshs. 450,196,075,880 reported in the KRA RAS for the FY 2023/2024 and reported in the draft OAG audit report of 27th December 2024 as unexplained was as a result of a mistake made when computing the Legacy system debt portfolio where the migrated credit balances amounting to Kshs. 315,115,857,095 was netted off from the migrated debit balances of Kshs 765,311,932,975. This mistake was noted and corrected reflecting the correct Legacy System debit balance of Kshs 765,311,932,975</p> <p>4. An amount of Kshs. 138,616,534,831 is disclosed as debt under review to establish validity. Details of the causes of invalid debt in the current Authority's system is a clear indication and pointer to debt capture,</p> | | |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue/ Observations from Auditor | Management comments | Status: | Time frame: | | | | | | | | | | | | |
|--|---|--|---------|-------------|-------------|---|--|---------------------------|---|--|--|--|-------------|--|--------------|------------|
| | | <p>processing and accounting procedures resulting in invalid debt</p> <p>These are debts under validation arising from either missing payments, pending return amendments/ledger corrections or other system related challenges.</p> <p>The accuracy and completeness of outstanding revenue debt of Kshs. 2,333,928,549,203 could not be confirmed.</p> <p>To demonstrate the completeness and accuracy of the statement of tax arrears amounting to Kshs.2,333,928,549,203, KRA provided the following reports/schedules listed below to support the debt arrears breakdown:</p> <ol style="list-style-type: none"> 1. Schedule of debt portfolio per station and tax head 2. Approval of Public Sugar Companies Debt Written Off 3. Schedule of Hard-core Debts 4. Schedule of Migrated Legacy system debts 5. Schedule of Public Sector Debts 6. Schedule of Debt Under Tax Appeal Processes 7. Schedule of Debts under Resolved disputes not updated in taxpayers' ledgers | | | | | | | | | | | | | | |
| 6 | <p>Unconfirmed Cash in Transit</p> <p>Note 17.17 (E) (iv) to the revenue statement on funds available for transfer from prior years reflects opening cash in transit of Kshs.19,279,392,318. The balance was adjusted by Kshs.804,167,959 to Kshs.18,475,224,359. Although, Management explained that the adjustment was in respect of prior year adjustments and errors corrections, analysis of amounts relating to unallocated revenue, errors and timing differences were not provided for audit.</p> <p>In the circumstances, the funds available for transfer from prior years of Kshs. 18,475,224,359 could not be confirmed.</p> | <p>The analysis of the Cash in Transit adjustments was provided to the Auditors on 15th November, 2024 and again on 31st December 2024.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;"><u>Kshs</u></th> <th style="width: 20%; text-align: right;"><u>Kshs</u></th> </tr> </thead> <tbody> <tr> <td>Total adjustments to account for</td> <td></td> <td style="text-align: right;"><u>804,167,962</u></td> </tr> <tr> <td colspan="3"><u>Adjustments Accounted for as follows:</u></td> </tr> <tr> <td>1. Unallocated amounts at commercial banks as at 30th June 2023 which were applied to PRNs in FY 2023/2024 and whose failure to adjust would result to double counting</td> <td style="text-align: right; vertical-align: bottom;">484,610,715</td> <td></td> </tr> </tbody> </table> | | <u>Kshs</u> | <u>Kshs</u> | Total adjustments to account for | | <u>804,167,962</u> | <u>Adjustments Accounted for as follows:</u> | | | 1. Unallocated amounts at commercial banks as at 30th June 2023 which were applied to PRNs in FY 2023/2024 and whose failure to adjust would result to double counting | 484,610,715 | | Not Resolved | 30/09/2025 |
| | <u>Kshs</u> | <u>Kshs</u> | | | | | | | | | | | | | | |
| Total adjustments to account for | | <u>804,167,962</u> | | | | | | | | | | | | | | |
| <u>Adjustments Accounted for as follows:</u> | | | | | | | | | | | | | | | | |
| 1. Unallocated amounts at commercial banks as at 30th June 2023 which were applied to PRNs in FY 2023/2024 and whose failure to adjust would result to double counting | 484,610,715 | | | | | | | | | | | | | | | |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue./ Observations from Auditor | Management comments | Status: | Time frame: |
|--|--|--|--------------|-------------|
| | | <p>2. FY 2022/2023 Bank Statement errors corrected in FY 2023/2024 1,976,325</p> <p>3. June 2023 Agency collections transferred to Payment Accounts remitted to Principals in July 2023 316,406,983</p> <p>4. Credits in the Commercial Bank Statements related to OGAs wrongly reflected in the KRA accounts but remitted by Banks directly to OGAs Accounts in FY 2023/2024 1,173,939</p> <p>Totals adjustments Accounted for 804,167,962</p> | | |
| Other Matter | | | | |
| 1 | <p>Non-Compliance with Public Sector Accounting Standards Reporting Template</p> <p>Review of the non-financial information revealed that the Board Secretary did not sign the report of the Board of Directors as required by the Public Sector Accounting Standards Board reporting template. The statements have therefore not complied with the PSASB guidelines.</p> | <p>This was inadvertently missed out due to the rush in completing the Audit at the year-end of 31st December, 2024. Caution shall be taken to avoid recurrence in the subsequent Revenue Accountability Statement. The Revenue Accountability Statement was however duly and fully signed off.</p> | Not Resolved | 30/09/2025 |
| Report on Lawfulness and effectiveness in the use of Public resources | | | | |
| 1 | <p>Non-Compliance with the Law on Export and Investment Promotion Levy</p> <p>The statement of revenue collection and transfers reflects collection of export and investment promotion levy amount of Kshs. 344,300,650 as detailed in Note 17.9 to the revenue statement. However, Management did not open an Export and Investment Promotion Levy account at the Central Bank of Kenya despite having The National Treasury approvals resulting in delayed collection of revenue in the right account as stipulated in Public Finance Management Act, 2012.</p> | <p>The delay in the opening of bank accounts has not resulted in failure to collect the Export and investment promotion levy given that the Authority systems is capable to distinguish revenue collections through coding of the various revenues in the system hence, no gaps in the collections of the Export and investment promotion levy revenue.</p> <p>All collections on Export and Investment Promotion Levy have been fully accounted for inclusive of the amounts of Kshs. 213,105,116</p> | Not Resolved | 30/09/2025 |


KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

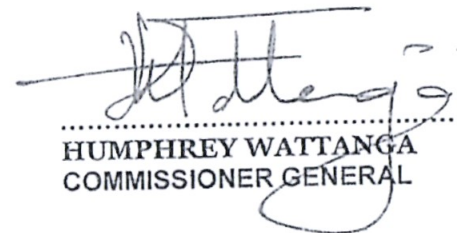
| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|---|---|--------------|-------------|
| | <p>Consequently, collections from September, 2023 to March, 2024 totalling Kshs. 213,105,116 was transferred to Import duty Account at The National Treasury. There were also no regulations establishing the Fund Account which would form the basis for collection and utilization of the funds.</p> <p>In the circumstances, Management was in breach of the law</p> | <p>which have all been credited into the KRA's Export and investment Account at CBK</p> <p>The Regulations on Export and Investment Promotion Levy are under the mandate of The National Treasury and the Ministry of Trade, Investment and Industry (MITI) and NOT KRA.</p> <p>The Ministry only requested KRA to facilitate collection being the only current responsibility of the Authority. Therefore, the Kenya Revenue Authority is not in breach of any Law.</p> | | |
| 3 | <p>Lack of Service Level Agreement for Collection of Traffic Fees</p> <p>Note 17.11 to the revenue statements reflects Traffic fees collection of Ksh. 335,250,780. However, the Authority did not have a Service Level Agreement with National Transport and Safety Authority (NTSA) with regard to collection of traffic fees as required by Regulation 67 (20) of the Public Finance Management Regulation (National Government),2015.</p> <p>In the circumstances, the regularity of traffic fees collections of Ksh.335,250,780 could not be confirmed.</p> | <p>The collection of Traffic Fees by KRA is statutorily provided for under section 5(2) of the KRA Act</p> <p>Part II of the First Schedule to the KRA Act- "1. <i>The Traffic Act (Cap. 403).</i> "</p> <p>The provision gives KRA the mandate to collect fees under the Traffic Act, where collections on behalf of NTSA falls. All collections were accounted for to NTSA.</p> <p>Further the Authority proceeded and executed the attached dully signed Service Level Agreement with the National Transport and Safety Authority(NTSA) and will be submitted for Audit review.</p> | | |
| 3 | <p>Non-Compliance with the Law on Export and Investment Promotion Levy</p> <p>The statement of revenue collection and transfers reflects collection of export and investment promotion levy amount of Kshs. 344,300,650 as detailed in Note 17.9 to the revenue statement. However, Management did not open an Export and Investment Promotion Levy account at the Central Bank of Kenya despite having The National Treasury approvals resulting in delayed collection of revenue in the right account as stipulated in Public Finance Management Act, 2012.</p> <p>Consequently, collections from September, 2023 to March, 2024 totalling Kshs. 213,105,116 was transferred to Import duty Account at The National Treasury. There were also no regulations establishing the Fund Account which would form the basis for collection and utilization of the funds.</p> | <p>The delay in the opening of bank accounts has not resulted in failure to collect the Export and investment promotion levy given that the Authority systems is capable to distinguish revenue collections through coding of the various revenues in the system hence, no gaps in the collections of the Export and investment promotion levy revenue.</p> <p>All collections on Export and Investment Promotion Levy have been fully accounted for inclusive of the amounts of Kshs. 213,105,116 which have all been credited into the KRA's Export and investment Account at CBK.</p> <p>The Regulations on Export and Investment Promotion Levy are under the mandate of The National Treasury and the Ministry of Trade, Investment and Industry (MITI) and NOT KRA.</p> | Not Resolved | 30/09/2025 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| Reference No | Issue / Observations from Auditor | Management comments | Status: | Time frame: |
|--------------|---|--|---------|-------------|
| | In the circumstances, Management was in breach of the law | The Ministry only requested KRA to facilitate collection being the only current responsibility of the Authority. Therefore, the Kenya Revenue Authority is not in breach of any Law. | | |



CPA JOSEPHAT OMONDI
HEAD OF FINANCE - ICPAK NO. 3473



HUMPHREY WATTANGA
COMMISSIONER GENERAL

KENYA REVENUE AUTHORITY

ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

(x) (a) Cash and Cash Equivalent
Balances as at 30th June, 2025

| | BankName | Account Name | Bank Account No. | Exc. rate | Total bank closing balance as at 30th June 2025 | Total bank closing balance as at 30th June 2024 |
|----|--|--|------------------------------|-----------|---|---|
| 1 | Standard Chartered Bank Kenya Limited | Kenya Revenue Authority | 108023908300 | | | |
| 2 | I&M Bank Limited | Kenya Revenue Authority | 100816369910 | | 1,719,575,447 | 1,519,324,093 |
| 3 | ABC Bank | Kenya Revenue Authority Collection Account | 1200001000724 | | 260,292,651 | 452,594,874 |
| 4 | Consolidated Bank of Kenya Limited | Kenya Revenue Authority Collection Account | 10021209000002 | | - | 10,533,606 |
| 5 | Ecobank Kenya Limited | Kenya Revenue Authority | 6580000121 | | 17,018,764 | 11,590,945 |
| 6 | Guaranty Trust Bank Kenya(K)Ltd | Kenya Revenue Authority | 2110059658 | | 11,762,944 | 40,951,733 |
| 7 | Victoria Commercial Bank Limited | KRA Settlement | 1012150001 | | 6,751,619 | 24,198,493 |
| 8 | Prime bank | Kenya Revenue Authority | 3000068834 | | - | 37,001,774 |
| 9 | Habib bank | Kenya Revenue Authority | 9-1-1-20311-546-280931 | | 80,000 | 60,063,257 |
| 10 | Oriental Commercial Bank Limited | Kenya Revenue Authority | 10011205 | | 927,555 | 3,856,108 |
| 11 | Sidian Bank | Kenya Revenue Authority | 10011000038 | | 555,062 | 4,392,873 |
| 12 | Citibank N.A. | Kenya Revenue Authority | 300093093 | | - | 9,677,990 |
| 13 | Absa Bank Kenya PLC | Kenya Revenue Authority | 2031960749 | | - | 10,000 |
| 14 | Bank of Africa Kenya Limited | Kenya Revenue Authority | 1075870000 | | 177,512,828 | 735,362,964 |
| 15 | NCBA Bank Kenya PLC | Kenya Revenue Authority | 7135210017 | | - | 31,527,518 |
| 16 | Diamond Trust Bank Kenya Limited | Kenya Revenue Authority | 8527001 | | 84,865,504 | 555,185,850 |
| 17 | Guardian Bank Limited | Kenya Revenue Authority Collection Account | 5501000001 | | 15,250 | 167,629,137 |
| 18 | Paramount Bank of kenya | Kenya Revenue Authority | 10006161191 | | - | 56,956,786 |
| 19 | Co-operative Bank of Kenya Limited | KRA collection Account(VAT/E-slip) | 1136001340300 | | 1,289,638 | 1,955,602 |
| 20 | Co-operative Bank of Kenya Limited | Comm of Customs & Excise -Nkrumah | 1136006150701 | | 103,377,626 | 367,125,860 |
| 21 | Co-operative Bank of Kenya Limited | KRA Nairobi County Revenue Collection | 1141709410000 | | - | 140,104 |
| 22 | KCB Kenya Limited | Kenya Revenue Authority | 1108976298 | | - | 22,042,110 |
| 23 | Equity Bank (Kenya)Limited | Kenya Revenue Authority | 240299657063 | | 2,326,750,806 | 991,547,958 |
| 24 | Equity Bank (Kenya)Limited | Kenya Revenue Authority | 1770279910476 | | 457,690,508 | 1,318,133,601 |
| 25 | Stanbic Bank Kenya Limited | Kenya Revenue Authority | 100002716307 | | - | 1,459,744 |
| 26 | Gulf African Bank Ltd | Kenya Revenue Authority Collection Account | 0004-001-210810-05200000-000 | | 1,453,270,821 | 1,491,995,516 |
| 27 | Family Bank Limited | Kenya Revenue Authority | 68000011053 | | 31,941,303 | 110,721,101 |
| 28 | Bank of Baroda | Kenya Revenue Authority Collection Account | 95900200001113 | | 224,696 | 61,126,662 |
| 29 | Credit Bank PLC | Kenya Revenue Authority Collection Account | 21015000002 | | - | 33,822,024 |
| 30 | Middle East Bank Kenya Ltd | Kenya Revenue Authority | 250609019 | | - | 9,751,329 |
| 31 | Access bank | Kenya Revenue Authority | 10100001268 | | - | 3,889,782 |
| 32 | National Bank of Kenya Limited | KRA- Comm of Cust Serv. Pre-Idf A/C | 1002305340900 | | 199,383 | 6,435,022 |
| 33 | National Bank of Kenya Limited | KRA collection Account | 1001005109600 | | 565,618 | 3,072,755 |
| 34 | HFC Ltd | Kenya Revenue Authority Collection Acc | 7040000604-0 | | 93,852,295 | 268,169,061 |
| 35 | Commercial International Bank(CIB) Kenya Limited | Kenya Revenue Authority Collection | 101360003 | | - | 21,912,612 |
| 36 | SBM Bank | Kenya Revenue Authority Collection Account | 82078700001 | | - | 2,720,579 |
| 37 | Kingdom Bank | Kenya Revenue Authority Collection Account | 1151768501002 | | 5,936,424 | 12,984,738 |
| | Subtotal | | | | 24,122 | - |
| | | | | | 6,754,480,864 | 8,449,864,161 |

KENYA REVENUE AUTHORITY
ANNUAL REPORT AND REVENUE ACCOUNTABILITY STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

| | | | | | | |
|----|--------------------------------|---|----------------|-------------------|----------------|----------------|
| | CBK COLLECTION A/Cs | | | | 1,704,650,634 | 3,364,518,423 |
| 38 | Central Bank of Kenya | Value Added Tax Main Collection | 1000007354 | | 10,053,036,870 | 10,102,514,107 |
| 39 | Central Bank of Kenya | Income Tax Main Collection | 1000007338 | | 2,431,403,417 | 1,481,051,385 |
| 40 | Central Bank of Kenya | Customs Import Duty Account | 1000007408 | | 641,203,155 | 471,470,831 |
| 41 | Central Bank of Kenya | Customs Petroleum Dev Fund | 1000007435 | | 832,515,904 | 624,745,653 |
| 42 | Central Bank of Kenya | Customs P.I.F/IDF | 1000007443 | | 46,584,583 | 69,035,701 |
| 43 | Central Bank of Kenya | Registrar of Motor Vehicles Main Collection | 1000007478 | | 6,424,203,109 | 6,535,442,885 |
| 44 | Central Bank of Kenya | KRA-Housing Fund Contributions Collection Account | 1000411562 | | 1,479,299,951 | 127,564,631 |
| 45 | Central Bank of Kenya | Export and Investment Levy Collection Account | 1000741694 | | 23,612,897,623 | 22,776,343,617 |
| | Subtotal | | | | | |
| | | | Account Number | | | |
| | PAYMENT ACCOUNT | | | | 7,042,379,628 | 4,649,658,765 |
| 46 | Central Bank of Kenya | Customs Services Payments Account | 1000007389 | | 102,838,743 | 97,046,087 |
| 47 | Central Bank of Kenya | Nita Payment Account | 1000741716 | | 85,933,342 | 32,106,036 |
| 48 | Central Bank of Kenya | Income Tax Payments Account | 1000007346 | | 50,104,422 | 34,739,842 |
| 49 | Central Bank of Kenya | Registrar of M/Vehicles Payment | 1000007486 | | 51,693,461 | 110,802,151 |
| 50 | Central Bank of Kenya | Kenya Bureau Of Standards Levy Payment | 1000007718 | | 7,183,322 | 292,780 |
| 51 | Central Bank of Kenya | Sugar Development Levy Payments | 1000007737 | | 5,531,074 | 17,470,662 |
| 52 | Central Bank of Kenya | Value Added Tax Payments Account | 1000007362 | | - | 5,982,411 |
| 53 | Central Bank of Kenya | Stamp Duty Payment A/C | 1000008512 | | 253,017 | 128,391,995 |
| 54 | Central Bank of Kenya | KRA Miscellaneous Revenue Payment Account | 1000741732 | | 7,345,917,009 | 5,076,490,729 |
| | Subtotal | | | | | |
| | USDS\$ ACCOUNTS | | | | | |
| 55 | National Bank of Kenya Limited | KRA - Air Pass Service Charge A/C | 2023015100100 | USD/KSHS.129.2542 | 353,914,315 | 419,594,910 |
| 56 | National Bank of Kenya Limited | KRA - Air Navigation Serv Chrg A/C | 2023015100200 | USD/KSHS.129.2542 | 206,749 | 4,919,313 |
| | Subtotal | | | | 354,121,064 | 424,514,223 |
| | TOTAL | | | | 38,067,416,560 | 36,727,212,729 |

Notes:

11. The balances above are bank balances and not cashbook balances. The adjusted Cashbook Balances are shown in Note 21 (x) (b).
12. The amount excludes Kshs. 102,444,187 held in defunct financial institutions viz Imperial Bank (IL) Kshs. 62,356,841 and Chase Bank (IL) Kshs. 40,087,346 disclosed in note 21 (x) (c).

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(x) (b) Cash book Balances Vs Bank Balances (Central Bank)

| Description | Amount (Kshs.) |
|---|-----------------------|
| Balances as per Cash book | 34,479,432,979 |
| Less: e-Citizen receivables | 842,063,695 |
| Cashbook Balances with e-Citizen receivables adjustments | 33,637,369,284 |
| Add: Net Unapplied funds/direct credits(See analysis below) | 4,430,047,276 |
| Adjusted Cashbook Balance | 38,067,416,560 |

Breakdown of Unapplied funds/direct credits:

| Date | Ref | Tax Head/Account Name | Amount (Kshs.) | Explanation | |
|------------|-----------------------|--------------------------------------|----------------------|----------------------|---|
| 30/06/2025 | FT25181ZTTD7 | Customs- IDF | 8,049 | Direct credit at CBK | |
| 30/06/2025 | FT25181W918L | Income Tax Main Collection | 540 | | |
| 27/06/2025 | FT25178T8JX9 | KAA Concession | 3,750 | | |
| 11/06/2025 | FT25162FNZMP-ECITIZEN | Land Rent | 1 | | |
| 24/06/2025 | FT25175RT8RG | NITA Payment Account | 13,398 | | |
| 30/06/2025 | FT25181MFTS0 | Petroleum Development Levy | 23,355 | | |
| 30/06/2025 | FT25181BSC5Y | Petroleum Regulation Levy | 3,244 | | |
| 30/06/2025 | FT251810BC42 | Railway development Levy | 6,440 | | |
| 23/06/2025 | FT25174TP5V2 | Withholding Rental Income | 34,000 | | |
| 15/05/2025 | FT25135N79WP | Registrar of Motor Vehicle Main Coll | 45,900 | | |
| 24/06/2025 | FT2517509VWY | Turnover Tax | 1,679,692 | | |
| 20/06/2025 | FT25171N4XD2 | Customs- VAT Imports | 982 | | |
| 27/06/2025 | FT25178WBV5P | Customs- VAT Imports | 184,907 | | |
| 30/06/2025 | FT25181BLHBQ | Customs- VAT Imports | 66,706 | | |
| 30/06/2025 | FT25181RKZQC | VAT Withholding | 16,594 | | |
| 30/06/2025 | FT25181P591Z | Income Tax-PAYE | 80,943 | | |
| 30/06/2025 | FT25181WX5T8 | NITA Payment Account | 1,100 | | |
| 30/06/2025 | FT251838JRZG | NITA Payment Account | 1,350 | | |
| 30/06/2025 | FT25181718DC | Excise Duty Imports | 94,947 | | |
| 30/06/2025 | FT25181WUKQ0 | Road Maintenance Levy | 108,125 | | |
| 30/06/2025 | FT24302DXYNP | VAT Main Collection Account | 137,774 | | |
| 30/06/2025 | FT25178YG2ZQ | VAT Main Collection Account | 320,936 | | |
| 30/06/2025 | FT25181K3M29 | VAT Main Collection Account | 3,419,717 | | |
| 30/06/2025 | VR No. 1242 | Customs Payment Account | 102,632,040 | | These were unapplied transactions in the Bank Statement |
| 30/06/2025 | VR No. 1243 | Customs Payment Account | 456,185,722 | | |
| 30/06/2025 | VR No.1244 | Customs Payment Account | 3,864,977,064 | | |
| | Total | | 4,430,047,276 | | |

(x) (c) Balances in Banks under Liquidation

| | Bank Name | Account Name | Bank Account No. | Total bank balance as at 30th June 2025 |
|---|--|-------------------------|-------------------------|---|
| 1 | Imperial Bank Limited (in Liquidation) | Kenya Revenue Authority | ITAX-L121422/7224000607 | 62,356,841 |
| 2 | Chase Bank Kenya Ltd (in Liquidation) | Kenya Revenue Authority | 0082078700001 | 40,087,346 |
| | Total | | | 102,444,187 |

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(x) (d) e-Citizen receivables

| | Bank Name | Account Name | Total bank closing balance as at 30th June 2025 | Total bank closing balance as at 30th June 2024 |
|---|-------------------------------|-------------------------|--|--|
| 1 | e-Citizen (Pesaflow) | Kenya Revenue Authority | 24,227,885 | 65,192,525 |
| 2 | e-Citizen (National Treasury) | Kenya Revenue Authority | 817,835,810 | 1,028,295,223 |
| | TOTAL | | 842,063,695 | 1,093,487,748 |

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(xi) Operations Offices & Branches

The operations of the Authority are carried out at the following branches;

| Name of Station | Address | Telephone Number |
|---------------------------------|-----------------------------------|----------------------------------|
| Nairobi Region | | |
| Sameer Business Park | P.O. Box 46285-00100 Nairobi | 0202396006/8 |
| KESRA Centre, Nairobi | P.O. Box 30332-00100, Nairobi | 0715877539 |
| Ushuru Pensions Tower (CBC) | P. O. Box 48240 -00100 Nairobi | 0709011501/2/3 |
| Ushuru Pension Plaza | P. O. Box 48240 -00100 Nairobi | 0709011501/2/3 |
| Nairobi Railway Club | P. O. Box 48240 -00100 Nairobi | 0202398470/8534, 0771628105 |
| JKIA, Forodha House | 19070 - 00501 Embakasi | 0206822854-8 |
| Namanga OSBP | 9-00207, Namanga | 0722602465, 0722787396 |
| Loitokitok | P.O.Box 44 - 00209, Loitokitok | 723450186 |
| Inland Container Depot Embakasi | P.O.Box 19070 - 40100 Embakasi | 0712863504, 0203546092 |
| Wilson Airport | P. O. Box 48240 -00100 Nairobi | 0206005635-6 |
| Western Region | | |
| Kisumu | P. O. Box 3636 - 40100 Kisumu | 057-2020509/10 |
| Forodha, Kisumu | P. O. Box 94 - 40100 Kisumu | 0572022832/5 |
| Kisumu Pier | P. O. Box 94 - 40100 Kisumu | 0572024009 |
| Kisumu KPC | P. O. Box 94 - 40100 Kisumu | 0572024998 |
| Kisumu Airport | P. O. Box 94 - 40100 Kisumu | 0776016121 |
| Kisumu PPO | P. O. Box 94 - 40100 Kisumu | 057202488 |
| Bungoma | P. O. Box 2576 - 50200 Bungoma | 0552030840 |
| Kakamega | P. O. Box 1776 - 50100 Kakamega | 0562030358 |
| Kisii | P. O. Box 2 - 058 Kisii | 0582030908/925 |
| Kopanga | P. O. Box 67 - 40400 Suna, Migori | 0733770010 |
| Nyamtiro | P. O. Box 94 - Kehancha | 0733770008 |
| Muhuru Bay | P. O. Box 24 - 40409 Muhuru Bay | 0711635560 |
| Usenge | P. O. Box 15532 - 00100 Usenge | 0700930622 |
| Sio Port | P.O.Box 6-50401, Sio Port | 0733770606 |
| Lwakhakha | P. O. Box 16 Lwakhakha | 0725358018 |
| Mbita | P.O BOX 262-40305, Mbita | 0737729688 |
| Isebania | P. O. Box 22 - 40414, Isebania | 059-7252507, 0733770008 |
| Malaba | P.O.Box 235, Kamuriae | 055-54026, 055-54174, 0713141513 |
| Busia | P. O. Box 54-50400 | 055-22040, 055-22218, 0202442296 |
| SOUTHERN REGION | | |
| Mombasa | P. O. Box 90601- 80100 | 0412314044/5 |
| Ngomeni | P. O. Box 90601-80100 Mombasa | 0746133685 |
| Lamu | P. O. Box 30 - 80500 Lamu | 0792973791 |
| Voi | P. O. Box 644 - 80300 Voi | 043203119 |
| Malindi | P. O. Box 10- 80200 | 0422130955/0422130256 |
| Diani | P. O. Box 90601 - 80100 Mombasa | 0740131070/0742986134 |
| KESRA Mombasa | P. O. 95705 - 80106 Mombasa | 0736424200 |
| Kilifi | P. O. Box 95707 - 30315 Kilifi | 0709747429 |
| Shimoni | P. O. Box 50 Shimoni | 0791480247 |
| Vanga | P. O. Box 7 - 80402 Lungalunga | 0732255571/0724479067 |
| Taveta OSBP | P. O. Box 197-80302, Taveta | 0741443164/0741443176 |
| Mazeras | P. O. Box 90601- 80100 | 0746133673 |
| Kiunga | P. O. Box 30, Kiunga | 0712250558 |
| Port Operations | P. O. Box 95300- 80107, Kilindini | 041225811/041225812 |
| Mombasa Airport | P. O. Box 90603- 80100 | 0791480247/0775232705 |

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| NORTH RIFT REGION | | |
|--|-----------------------------------|--|
| Eldoret | P. O. Box 402 - 30100 Eldoret | 053-2062300/2062607 |
| Eldoret KPC | P. O. Box 402 - 30100 Eldoret | 0202003797/0202003799 |
| Eldoret EIA (Eldoret Airport Warehouse) | P. O. Box 402 - 30100 Eldoret | 053-2061299 |
| Eldoret EIA (Eldoret Airport Bargage Hall) | P. O. Box 402 - 30100 Eldoret | 053-2062839 |
| Eldoret EIA (Scanner) | P. O. Box 402 - 30100 Eldoret | 053-2061299 |
| Eldoret Postal Corporation | P. O. Box 402 - 30100 Eldoret | 0774914443 |
| Kitale | P. O. Box 2673 - 30200 Kitale | 0202398707/0207859501 |
| Lodwar | P. O. Box 438 - 30500 Lodwar | 0202398852/0778016179 |
| Suam River | P. O. Box 524 - 30200 Suam | 0202001070 |
| Lokichoggio | P. O. Box 121 - 30503 Lokichoggio | 0774914485 |
| Lokichoggio Airport | P. O. Box 121 - 30503 Lokichoggio | 0774914485 |
| Nadapal | P. O. Box 121 - 30503 Lokichoggio | 0774914490 |
| SOUTH RIFT REGION | | |
| Nakuru | P. O. Box 270 Nakuru | 0512213926, 0512213927, 512213883, 0512213891 |
| Maralal | P. O. Box 114 Maralal | 0202397073, 0776746515 |
| Kericho | P. O. Box 796 Kericho | 052220104, 0711590909, 0798482065, 0798482065 |
| Kericho-DC'S Office | P. O. Box 796 Kericho | 0522021122 |
| Nyahururu | P. O. Box 446 Nyahururu | 0798482066 |
| Narok | P. O. Box 1161 Narok | 0770972346, 0770591459, 0709678601 |
| Naivasha | P. O. Box 1645 Naivasha | 0502030085, 0502030086 |
| Nakuru-PPO | P. O. Box 270 Nakuru | 0774502982 |
| Nakuru-KPC | P. O. Box 270 Nakuru | 0778010929 |
| NORTHERN REGION | | |
| Embu | P. O. Box 495 - 60100 Embu | 0730716071 |
| Elwak | P. O. Box 218-70200 Elwak | 0774356219 |
| Mandera | P. O. Box 96 - 70301 Mandera | 0774356219 |
| Garissa | P. O. Box 1145 - 70100 Garissa | 0709016403 |
| Wajir | P. O. Box 218-70200 Wajir | 0776018838 |
| Machakos | P. O. Box 756-90100 Machakos | 0773394344 |
| Kitui | P. O. Box 195 - 90200 Kitui | 0771095882 |
| Meru | P. O. Box 256-60200, Meru | 202000237, 0773394344 |
| Isiolo | P. O. Box 722-60300, Isiolo | 0773394344 |
| Moyale | P. O. Box 6-60700 Moyale | 020200249 |
| Diffu | P. O. Box 218 - 70200 Wajir | C/o Wajir office |
| Kajiado | P. O. Box 720 - 01100 Kajiado | 770495367 |
| Liboi | P. O. Box 218-70200 | |
| CENTRAL REGION | | |
| Nyeri | P. O. Box 677 - 10100 Nyeri | 061-2030726-9, 0732697130, 0702697805 |
| Nanyuki | P. O. Box 1787-10400, Nanyuki | 062 - 2030000, 062 - 2031874 |
| Kerugoya | P. O. Box 142 - 10300, Kerugoya | 060 - 2021003, 709 - 752 722 |
| Murang'a | P. O. Box 426-10200, Murang'a | 060-2030700-4 |
| Thika | P. O. Box 893-01000, Thika | 067 - 2221701-5, 741 - 852 |
| Kiambu | P. O. Box 2007-00900, Kiambu | 0709752723, 0770804037, 0774779403, 0770806787 |