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REMARKS BY THE CABINET SECRETARY FOR NATIONAL TREASURY AND PLANNING, DURING THE LAUNCH OF 2019 TAXPAYER'S MONTH.

Cabinet Secretaries with us today,

Principal Secretaries present,

Commissioner General, KRA

Chair Persons and CEOs of various Associations,

Distinguished Guests,

KRA Staff, Ladies and Gentlemen.

It is my honour and pleasure to welcome you all to this important occasion to celebrate and honour our distinguished taxpayers.

This month, we celebrate the selflessness and hard work of patriotic citizens who dutifully meet their tax obligation to propel Kenya's economic prosperity. It is true that any given country depends on its diligent tax compliant citizens for sustainability of economic growth.

The 2019 Taxpayers' Month has been anchored on the theme; ***“Redefining Service Delivery in Tax Administration”*** and we recognize the responsibility ahead of us in terms of revenue mobilisation. For us to execute and achieve this mandate effectively, it is no doubt that we have to collaborate with our partners, the taxpayers.

Ladies and gentlemen,

KRA has continuously collaborated with other states in various initiatives that have helped enhance efficiency.

For example, the implementation of the One-Stop Border Post (OSBP) has harmonized transit clearance, with officers in Kenya and other countries like Uganda and Tanzania border sitting under one roof to handle transit documents concurrently to save on time. Instead of stamping goods and paying taxes at every border point, the OSBP has enabled inspection of goods at one border point.

The OSBPs have also improved security, reduced corruption and revenue leakage, as well as improved resource utilisation through improved cross-border cooperation and sharing of resources and intelligence. In addition, the OSBPs have reduced the cost of consumer goods and boosted the economy.

We have also collaborated with other two Northern Corridor Countries, namely Kenya, Uganda & Rwanda to implement the Regional Electronic Cargo Tracking System (RECTS). The system used for monitoring cargo transiting through Kenya to neighbouring countries within the East African Community is expected to enhance trade competitiveness through improved security of cargo along transit routes. Plans are underway to roll out the same to include South Sudan, Tanzania and ultimately to destinations outside the EAC block. These are just but a few examples.

Ladies and gentlemen,

The principal function of the National Treasury in relation to KRA, is to give guidance on policy. This includes formulation, implementation and monitoring macro-economic policies involving expenditure and revenue.

KRA has continued to champion the National Treasury's role of mobilizing domestic and external resources for financing national and county government budgetary requirements. Therefore, KRA is a key stakeholder in the successful delivery of the government development initiatives including the Big Four Agenda.

Strengthening revenues through tax policy measures is at the core of achieving the fiscal targets that are set every year and National Treasury is responsible for this. That is why we have always formulated policies to enhance revenue mobilisation and reinforce equity and fairness. When such laws are set, citizen might consider them as punitive. However, this is the only way by which our government serves its people for economic progress.

In the same spirit, this year's budget saw key amendments in various tax laws in order to enrich revenue mobilisation. Some of the tax proposals we have recently made include that of the new Income Tax Bill which is at the final stage of legal drafting before it is submitted to parliament.

Ladies and gentlemen,

KRA has continued to undertake extensive engagements with stakeholders. . The engagements have helped find solutions of issues of mutual interest. We at the National Treasury have pledged to continue to support KRA's work in this in order to enhance taxpayer confidence in tax collection and public governance.

I am also pleased to note the significant investments KRA has made and continued to make in technology in automation of tax services.

These investments are important because they make tax compliance convenient and enhances Kenya's attractiveness for investment from both foreign and local players.

Further, we have put in place mechanisms to ensure local businesses and cross-border trade thrive. In addition, through KRA we have automated our systems to eliminate Customs challenges that hampered cross-border trade.

The recently rolled out Integrated Customs Management System (iCMS), will also significantly reduce cost of doing business due to reduction in time spent lodging documents, and elimination of costs related to manual processes.

Unlike the previous Simba System, iCMS will simplify cargo clearance process by automating application, issuance and renewal of licenses. The system also uses smart gates, which automatically scan the container number and the track number plate. This will eliminate the need of a physical check and reduce time taken to clear goods at ports of entry.

Ladies and gentlemen,

On several occasions, the president has set out an ambitious social-economic development agenda that speaks to the common "*mwananchi*".

This has been captured under the Big Four Agenda which lays out the key initiatives that will put Kenya on a path of economic progression. Revenue mobilisation sets a strong foundation for achieving the President's Big Four agenda.

To achieve this, we have embarked on tax base expansion as one of the strategic measures of enhancing revenue mobilisation under revenue enhancement initiative. These strategic measures are articulated in the Authority's 7th Corporate Plan.

In the recent past, one of the major concerns from taxpayers have been the long standing issue of tax refunds. The National Treasury released **Kshs.7.09 billion** for the settlement of tax refunds, mainly VAT in the recent past. The pending amount is being processed on a case-by-case basis and will be paid without delay.

Let me reaffirm the Government's commitment in facilitating its citizens in their daily activities towards building this great Nation.

As I close, allow me to thank all of you for the enormous contributions toward the development of this country and now request you to join me in the 2019 taxpayers' month celebration, with utmost patriotism.

I now declare the 2019 Taxpayer's Month officially launched.

Tulipe Ushuru, Tujitegemee !

Honourable, Ambassador Ukur Yatani

Ag. Cabinet Secretary for National Treasury & Planning.