



Appendix 2

MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY

State Department for Investments Promotion

HIGH LEVEL INTERVENTION ON PRIVATE SECTOR BUSINESS CONCERNS

S/No	Specific Concern	Category Of Intervention	Proposed Solution	Agency
TAXATION				
1.	Uncertainty of Tax Environment	Policy	Finalize and implement the National Tax Policy	National Treasury
2.	Delayed Tax refunds	Administrative	Finalize refunds	
3.	Tax Cuts/removal	Legal	Exempt Plant, Machinery and parts - under Chapter 84 and 85 of EAC CET from 16% VAT Removal/ abolition of Export Promotion & Investment Levy of 17.5% Removal of 10% or 1.5 per Kg Excise duty on imported clinker	
ENERGY				
4.	High Cost of Fuel		Review taxes on energy (Petroleum product- Fuel oil & diesel)	MoE&P Kenya Power EPRA
			Reintroduction of power rebate	
			Activate Petroleum Development Levy Fund (Stabilization fund)	
			Re-introduce subsidies to manufacturers	
	High Cost of Electricity	Policy	Review Time of Use Policy for Manufacturing (inclusion of preferential tariffs for large industrial consumers & producers)	
			Review kilowatt cost of power	
			Increase infrastructure financing to reduce system and Commercial Losses	
			Promote investments in decentralized grids & Mini-grid	

			Open Captive power market to remove restrictions to allow for own generation beyond 1 MW without regulatory bureaucracy.	
			Support full liberalization of energy generation & distribution to enhance competitiveness & distribution efficiency	
CAPITAL				
5.	High cost of borrowing	Policy	Restructure & Recapitalize development financing institutions	CBK NT KRA
			Reduce government internal borrowing	
			Formation of special purpose entity for trade financing	
	Legal/ Regulatory	Implement provisions of movable property security rights Act, 2017		
Pending bills	Legal	Expedite enactment of Prompt Payment Bill, 2022	Expedite roll out of SME Credit guarantee schemes	
LAND				
6.	Land administration	Legal	Repeal Land Control Act	MLands
IMMIGRATION				
7.	Delays of issuance of permanent residencies	Administrative	Streamlining work immigration procedures Enhance transparency in the process of permanent residency permits	Mol&CNG NT
8.	Delays of issuance of work permits	Administrative	Streamlining work immigration procedures Enhance transparency in the process of permanent residency permits	Mol&CNG NT
ECONOMIC PARTNERSHIP AGREEMENTS				
9.	Non-application of UK-Kenya EPA tariffs		Ensure EPA tariffs are implemented in compliance with Kenya's agreements with the UK and EU	EAC
10.	Conflict between EAC CET and EPA provisions			
LOCAL OWNERSHIP RESTRICTIONS				
11.	Local ownership requirements for insurance	Policy/Legal	Remove the local ownership requirement to increase foreign investment in the insurance and engineering sectors.	