



KRA –KEPSA BOARD ROUND TABLE MEETING

HELD ON 11TH JUNE 2025

OPENING REMARKS BY Dr. JAD BEDI, CHAIR, KEPSA BOARD

The KRA Board led by Hon. Ndiritu Muriithi;

The KEPSA board and Business leaders;

All protocols observed.

Good Morning!

First, I'd like to thank the KRA board and management for taking the time to meet with us and commend the fact that the authority has been very consistent and deliberate in engaging the private sector and other critical stakeholders – we appreciate this effort. To my fellow board members and KEPSA colleagues, I am also grateful that you have committed time in your schedules to ensure that this engagement is a success.

KEPSA's engagement with the Revenue Authority has led to a relationship and partnership that can be relied upon to ensure the country generates wealth to its maximum potential and continues to surpass revenue targets.

Colleagues, **today I will answer the question, why do the two boards meet?** My answer? These two boards meet to ensure wealth maximization because participants in this meeting can improve the nation's wealth by creating a conducive business environment needed and, in turn, support revenue generation.

The level of poverty has increased, and the buffers and coping mechanisms of households, firms, and the public finances continue to be stretched. This is despite Kenya's economic resilience. Between 2022 and 2024, GDP growth averaged 5.0% annually, 4.9% in 2022, 5.7% in 2023, and 4.7% in 2024, surpassing the global average of 3.4% and Sub-Saharan Africa's 3.8%. However, headwinds persist. Private consumption, accounting for nearly three-quarters of GDP, slowed to 6.9% growth in 2024 from 7.5% in 2023, primarily due to high interest rates and limited credit access. Investment growth has also faltered, largely due to policy uncertainties and cautious business sentiment.

Colleagues, we should build on past achievements that this partnership has realized.

The KEPSA-KRA partnership has transformed tax administration and policy in Kenya, fostering a business-friendly environment. Key achievements include the full implementation of eTIMS for faster VAT refunds, Green Channels for efficient cargo clearance, and a tax amnesty waiving Ksh. 650 billion in penalties, boosting compliance. The tax base expanded significantly, with over 720,000 new taxpayers added in FY 2019/2020, contributing Ksh. 7.8 billion.

Policy reforms, including the National Tax Policy, ensure stability, while robust stakeholder engagement through technical teams and roundtables addresses private sector concerns. Technological advancements, such as the M-Service App, iWhistle, and iTax migration, have modernized services, enhancing efficiency. These efforts, alongside initiatives to combat illicit trade and support key sectors such as agriculture and Special Economic Zones (SEZs), underscore KRA's commitment to equitable and efficient tax administration, thereby driving Kenya's economic growth.

Chair, Ladies, and Gentlemen, as I conclude, I see this partnership as an enabler for business. KEPISA's aspirations for this very critical engagement remain to be;

1. A partnership where businesses can be assisted in spotting new opportunities. By this, I mean that KRA has data on the goods we import as a nation. We can analyze this information to identify which goods can be produced locally and set up industries and policies to promote them.
2. A partnership that promotes effective adoption of change. The changes in policy and administrative taxation processes can be discussed openly, and the rationale behind the principles of the agreed-upon proposals can be explained to ease compliance levels and help businesses plan effectively.

With these few remarks, allow me to reiterate that we, as the Private Sector, are committed to our partnership with KRA, and we will keep having these open dialogues, knowing that they will propel us to achieve mutually beneficial outcomes that grow this economy. I would like to invite us all here to engage openly and have candid discussions on how best we can facilitate wealth creation to propel revenue generation for our nation.

Karibu na asante!