

**GUIDELINES TO VAT REGISTERED TAXPAYERS ON COMPLIANCE  
WITH THE VALUE ADDED TAX (ELECTRONIC TAX INVOICE)  
REGULATIONS, 2020**

Kenya Revenue Authority rolled out the Electronic Tax Invoice commencing **1<sup>st</sup> August 2021**. All VAT registered persons are required to comply with the requirements of the Value Added Tax (Electronic Tax Invoice) Regulations, 2020 on implementation of the electronic tax invoice within a period of twelve (12) months from the date of the roll out.

Where a person is unable to comply within the timelines, they shall apply to the Commissioner for extension of time to comply, which shall not exceed six months, as provided in the Regulations. The application for extension shall be made thirty (30) days before the expiry of the twelve-month period specified.

The following Guidelines provide the broad basis for VAT registered taxpayers to comply with the electronic tax invoice requirements: -

1. In compliance with the requirements of the Electronic Tax invoice, all VAT registered taxpayers should use a compliant tax register with the following functionalities:
  - a) Check the invoice details (tax rate, taxable value, total tax and total gross amount) before issuance of the tax invoice to the customer.
  - b) Transmission of the validated tax invoices to KRA over the internet on a real time or near real time basis.
2. The list of the approved Electronic Tax Register suppliers and their manufacturers from whom VAT registered taxpayers can obtain the required registers shall be published on the KRA website.
3. The key features of a valid Electronic Tax Invoice include:
  - a) *Buyer PIN* - refers to the PIN of the purchaser. The capture of the buyer's PIN is **optional** when generating an invoice and is only applicable where the purchaser intends to claim input tax for the VAT paid.

**NOTE: It is the responsibility of the buyer to provide their PIN details to be captured in the invoice where they intend to claim input tax**

- b) *Control Unit serial number* - a unique number issued by KRA to identify each tax register.
- c) *Control Unit invoice number* - a unique number generated by the tax register upon issuance of each tax invoice.
- d) *Quick Response (QR) Code* - to confirm the validity of the tax invoice

Compliant tax registers will have the capability of generation of credit and debit notes referencing the original tax invoice.

**SAMPLE TAX INVOICE**

```

██████████ DISTRIBUTORS LTD
1██████-00100 NRB KENYA
072██████
P1██████████

- START OF FISCAL RECEIPT -
Tan ID: 01-0000-B0AF
Trans no: 51466
Date: 17-12-2020:120348
Transaction By: STAFF 1
Customer Card:
Customer PIN: P██████████C
Payment By: CASH
Reference:
>
1. Pelikan Stamp Pad without ink
A KES100.00 x 1 100.00
2. Centrum Film Index notes
A KES200.00 x 1 200.00

-----PAYMENT DETAILS-----
SUB Incl. TAX : 348.00
VAT16% @16% : 48.00
ZERO RATED @0% : 0.00
VAT8% @8% : 0.00
EXEMPTED @0% : 0.00
Rounding Adjustment : 0.00
Amount Due 348.00
Cash 500.00
Total Paid: 500.00
Change 152.00
*****
Device Id : 01-0000-B0AF
Receipt No : 0000000057
*****
VATGrp VATABLE AMT VAT AMT
A = 16% 300.00 48.00
B = 0% 0.00 0.00
E = 8% 0.00 0.00
F = 0% 0.00 0.00
- CONTROL UNIT INFO -
CU Serial No: KRAN██████████6
06
CU Invoice No: ██████████7

```

A: Buyer PIN

B: Control Unit Serial No.

C: Control Unit Invoice No.

D: QR Code

**Disclaimer:** This is a sample tax invoice highlighting the key features as provided for in the VAT (Electronic Tax Invoice) Regulations, 2020. The format and layout of the tax invoice will be at the discretion of the VAT registered taxpayer.

4. The following electronic tax register options can be adopted by the VAT registered taxpayers (at their discretion):
  - a) An integrated tax register - this is an ETR with inbuilt functionality to validate, generate and transmit tax invoices to KRA.

- b) An independent tax register connected to the invoicing system to validate and transmit tax invoices to KRA. This includes the upgraded Electronic Signature Device (ESD).
- c) A centralized tax register - connected to more than one cashier till (one to many).

**NOTE**

- a) Where a taxpayer replaces the existing tax register, they are required to safeguard the previously used tax register in line with requirement to keep records for five years as stipulated in Section 23 of the Tax Procedures Act, 2015 (TPA).
- b) VAT registered taxpayers are reminded to continue filing their VAT returns as stipulated in Section 44 of the Value Added Tax Act, 2013.
- c) VAT registered taxpayers who wish to be on-boarded as early adopters are encouraged to do so. Kindly reach out to us on **timsupport@kra.go.ke** for further guidance and support.
- d) For more information, kindly access the links below from the KRA website:

**PUBLIC NOTICE**

<https://kra.go.ke/en/media-center/public-notices/1307-extension-of-time-to-comply-with-the-value-added-tax-electronic-tax-invoice-regulations,-2020>

**THE FREQUENTLY ASKED QUESTIONS (FAQs)**

<https://kra.go.ke/en/helping-tax-payers/faqs/electronic-tax-invoice>

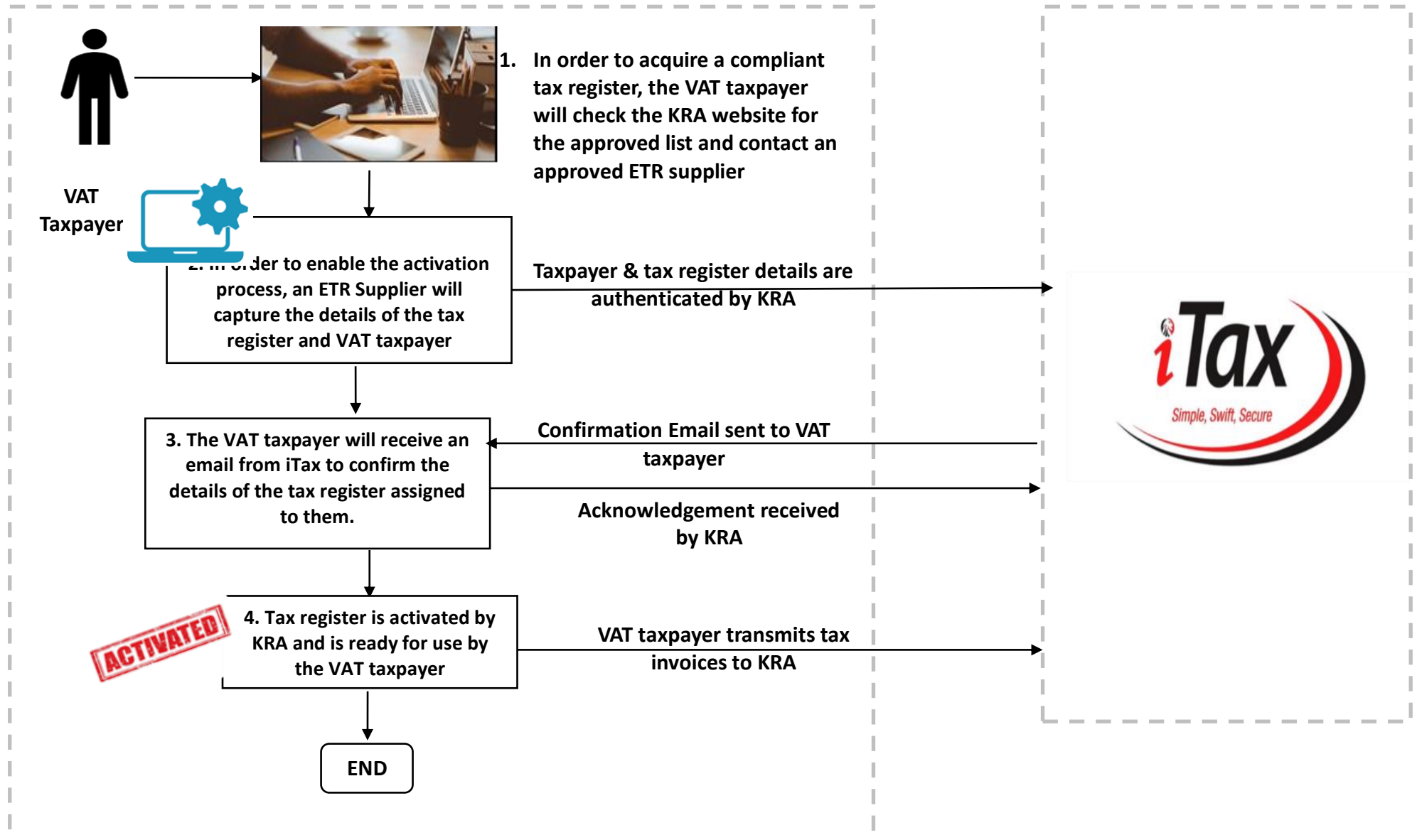
**VAT (ELECTRONIC TAX INVOICE) REGULATIONS, 2020**

<https://kra.go.ke/images/publications/L.N.-189---VAT-ELECTRONIC-TAX-INVOICE-REGULATIONS-2020.pdf>

## HOW TO COME ON-BOARD

### VAT TAXPAYER & ETR SUPPLIER

### KRA



**Tulipe Ushuru Tujitegeme!**