

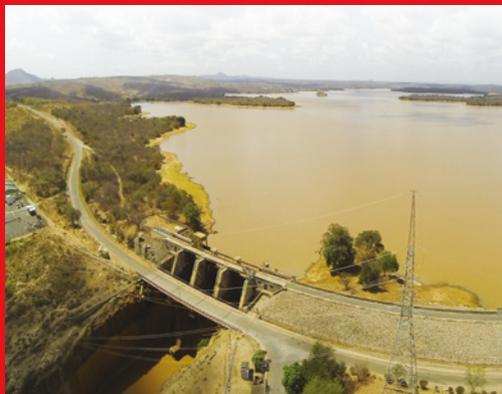
**INVESTIGATIONS AND ENFORCEMENT DEPARTMENT**

# **Tax Investigations Handbook**

**Taxpayer Edition**

**Prepared by:  
Investigations and Enforcement Department**

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“ Development- Tax compliance leads to national development and delivery of quality services.

INVESTIGATIONS AND ENFORCEMENT DEPARTMENT  
Taxpayers' Edition

# INVESTIGATIONS AND ENFORCEMENT DEPARTMENT



## VISION

To be the premier provider of intelligence-led and prosecution guided investigations that enhance voluntary tax compliance.



## MISSION

To enhance taxpayer voluntary compliance by detection, proactive investigation and prosecution of tax evasion in a manner that builds trust and fosters confidence in tax and customs administration

# CORE VALUES:



### Trustworthy

we shall cultivate confidentiality, trust and commitment when relating with our stakeholders



### Ethical

we shall engender a culture of integrity, transparency and accountability in all our operations



### Competent

we shall perform our duties with the highest levels of professionalism, impartiality and independence



### Helpful

we shall endeavour to offer creative, effective and supportive solutions to those that we serve



### Inclusion

Respect for skills, experience, diversity and background



### Confidentiality

To keep taxpayers and staff information accessible only to authorized personnel



“ The Kenya Revenue Authority is established by an Act of Parliament, Chapter 469 of the laws of Kenya, charged with the responsibility of assessing, collecting and accounting for all revenue on behalf of the Government of Kenya. . The Investigations & Enforcement Department (IED) is one of the seven (7) Departments within Kenya Revenue Authority (KRA), whose mandate is detection, disruption and deterrence of violations of tax law. ”

**Githii Mburu**  
**COMMISSIONER**  
**GENERAL**  
**KRA**

## 2 IED's OFFICES AND REGIONAL PRESENCE

IED's Head Office is located in Nairobi. Our physical Address is:

### **Investigations & Enforcement Department**

Ushuru Pension Towers (Formerly Corporate Business Centre)

7th Floor, Block D along Elgon Road

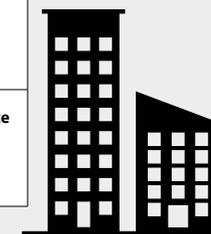
Upper Hill

**Nairobi**

Tel: 0709011765

### **Our regional presence:**

<b>Southern Region- Mombasa KRA office</b> Forodha House, 1st Floor Tel +254 041-24044	<b>Central &amp; Northern Region-Nyeri KRA office</b> Premier Plaza, 2nd Floor Kanisa Road, Nyeri Tel +254-061 2032007
<b>Rift Valley Region-Eldoret KRA Office</b> Kiptagich House, 4th Floor Uganda Road, Eldoret Tel 053 2063311	<b>Western Region-Kisumu KRA office</b> Forodha House Kamas Road, 1st Floor Tel +254 057 2024751



## MESSAGE FROM THE COMMISSIONER

It is my pleasure to bring you the Tax Investigation Framework for your information and consumption as taxpayers. In this framework the KRA gives a detailed account of the investigation process including: the process of investigations, what taxpayers can expect when they are under investigations, the rights and obligations of taxpayers as well as the responsibilities of KRA officers in the conduct of investigations. It in essence provides a roadmap of what the taxpayer may have to walk while under investigations.

This Framework is one of the strategies the Department has initiated to enhance transparency in KRA's processes and to ensure that taxpayer's under investigation are accorded a fair and equitable treatment. It is the KRA's desire that there will be more cooperation during and after investigation to enhance compliance and foster confidence in the investigation processes.

**D.K.S. Yego**  
**COMMISSIONER**  
**INVESTIGATIONS AND ENFORCEMENT DEPARTMENT**

### 3 IED's MANDATE

IED is mandated to actively investigate potential violations of the revenue laws and related financial crimes in a manner that enhances tax compliance and fosters confidence in the tax system. The mandate is actualised through detection, disruption and deterrence of tax evasion. This is achieved through intelligence-led and prosecution guided investigations.



**“ IED is mandated to actively investigate potential criminal violations of the revenue laws and related financial crimes in a manner that enhances tax compliance and fosters confidence in the tax system. ”**



KRA operation on taxpayer's premises on suspicion of illicit trade and use of fake excise duty stamps. Source: KRA

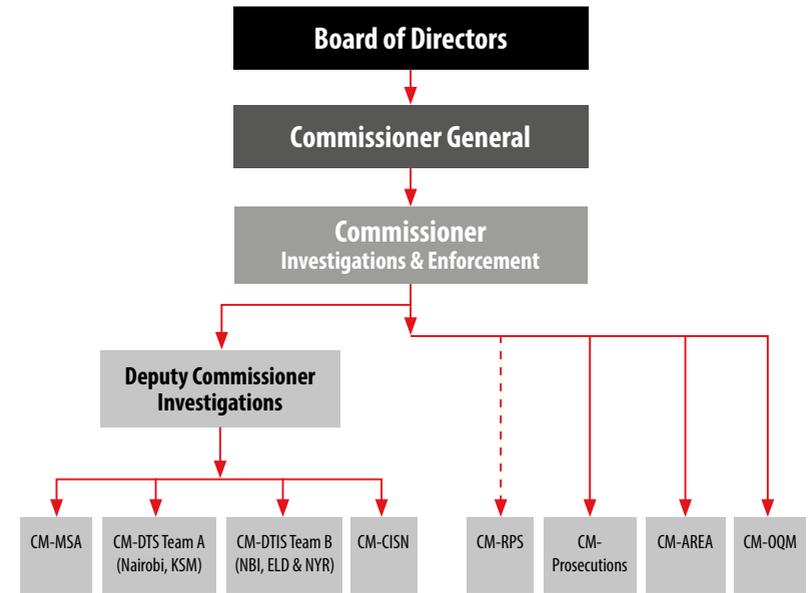
### Investigations & Enforcement Department

#### Reception



### 4 ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT

The Department is headed by the Commissioner assisted by Deputy Commissioner in charge of Investigations and Chief Managers in charge of various Divisions as shown in the organogram below:



- CM - Chief Manager
- RPS - Revenue Protection Services
- AREA - Asset Recovery & Evidence Analysis
- OQM - Operations & Quality Management
- PIU - Preliminary Investigation Unit
- DTIS - Domestic Taxes Investigations Section
- CISN - Customs Investigations Section Nairobi

## 5 TAX INVESTIGATIONS

Tax investigations involve inquiries into the tax affairs of a taxpayer where the Commissioner has reasonable cause to believe that a taxpayer is involved in tax evasion and violation of revenue laws.

Once investigations commence, the Department obtains the facts and evidence needed to establish the elements of criminal activity with a view to prosecuting the perpetrators and recover the taxes. Investigative techniques used, include conducting interviews, obtaining third party information, conducting surveillance, recording witness statements, executing search warrants, intercepting, seizing and detention of goods where taxes have not been paid, counterfeit, prohibited or restricted goods.

The primary focus is to gather admissible evidence to support prosecution and conviction of the tax offenders and or recovery of taxes. It is noteworthy that prosecution is not a bar to collection of taxes. Issuance of assessments and collection of taxes is an integral component of investigations.

“ Investigations can be initiated from information obtained through intelligence gathering mechanisms, informers, KRA systems, referrals from other agencies, media as well as from other ongoing investigations.

### 5.1 Laws relied upon

In order to realize IED's mandate, the Department administers the following laws:

- the Tax Procedures Act 2015, the Income Tax Act (Cap. 470);
- The Excise Duty Act (No. 23 of 2015);
- the East African Community Customs Management Act (EACCMA) 2004;
- The Value Added Tax Act (No. 35 of 2013) among others.

In the performance of its mandate, IED is guided by the relevant provisions of the Constitution of Kenya, 2010.



### 5.2 Scope of investigations

The investigations may cover issues on Income tax (individuals or body Corporates), VAT, Customs duty, excise, PAYE, Withholding and other taxes administered by the KRA.

The investigation aims to uncover the full facts to determine whether tax offences have been committed. The scope will therefore cover individual taxpayers, all the associated companies, directors, beneficiaries and assets owned among others.



Double registration or use of fake number plates to evade payment of duty is an offence prosecutable in a court of law.  
Source: KRA/NTSA



### 5.3 Period under investigation

There is no limitation for the period covered in an investigation in cases of gross or wilful neglect, evasion or fraud by a taxpayer. In other circumstances, assessments shall be made within five (5) years from the date of the last return.

### 5.4 Length of Investigation

The length of investigation depends on the scope of investigation, complexity of the issues and the level of the taxpayer's cooperation during the investigation. For simple cases, an investigation will take up to 6 months to complete. However, depending on circumstances of each case, investigation might take longer to complete.

### 5.5 Sources of Information

Investigations can be initiated from information obtained through intelligence gathering mechanisms, informers, KRA systems, referrals from other agencies, media as well as from other ongoing investigations.

“ The length of investigation depends on the scope of investigation, complexity of the issues and the level of the taxpayer's cooperation during the investigation.

## 7 PROCEDURE OF INVESTIGATIONS

Investigations may be commenced at any time (either overtly or covertly) where actionable intelligence is availed indicating that a taxpayer is involved in tax evasion. Investigations involve the following;

### Preliminary Investigation

Preliminary investigations are conducted upon receipt of information in order to ascertain the veracity of the allegations of tax evasion. If satisfied that the information is sufficient to warrant investigation, a case is registered for investigations.

### Surveillance

The investigation is carried out by conducting surveillance on the taxpayer's business premises, residences, tax agent's premises, third parties and other premises as may be necessary. The aim is to identify the nature of business, documents in the taxpayer's custody and gather such other information that may assist in tax fraud investigations. The inspection will be conducted in a professional and ethical manner.



The investigation is carried out by conducting surveillance on the taxpayer's business premises, residences, tax agent's premises, third parties and other premises as may be necessary. The aim is to identify the nature of business, documents in the taxpayer's custody and gather such other information that may assist in tax fraud investigations.

## 6 OBJECTIVES OF TAX INVESTIGATIONS

- The objectives are to undertake tax investigation activities aimed at :
  - **Detection** (Done through interviews, surveillance, execution of search warrants, analysis of financials, review of taxpayer records, and obtaining of third party information).
  - **Disruption** (aimed at identifying tax evasion schemes and dismantling the cartels and all the players involved in such schemes including the perpetrators, professional enablers, the system used, collaborators and facilitators among others. Some of the enforcement measures includes; Issuance of departure prohibition orders, preservation of funds, asset caveats and preservation, issuance of agency notices, cancellation of TCCs, deactivation of PINS, revocation of customs agents licences, continuous surveillance, arrest and prosecution of offenders).
  - **Deterrence** (against tax evasion and other fraudulent activities to ensure compliance through prosecution, imposition of penalties, taxpayer education and awareness as well as media publicity among others)
  - **Enhancing compliance** (through unearthing emerging evasion schemes and recommend measures to seal loopholes through administrative action or amendment of laws)



The president witnessing the destruction of contraband sugar



Multi-Agency Team (MAT) operation by KRA & DCI on a factory suspected to engage in illicit trade and tax evasion syndicate. Source: KRA



“ After completion of the investigations, investigation findings may be communicated in the course of engagements with the taxpayer or via a formal letter.



#### Upon completion of investigation:

- Where taxes are found due, the Commissioner issues a notice of assessment and the taxpayer can either pay the tax demanded if in agreement or object and appeal against the Commissioner's decision pursuant to section 51 of the Tax Procedures Act 2015 and gazette Notice No. 12048 of 19th November 2018; or
- Where the investigations confirm the allegations of



KRA officers analyzing documents on the computer.



“ Upon gathering enough evidence the investigation team prepares a report recommending either civil or criminal action against the taxpayer.

#### Notice to investigate

After preliminary investigations, a notice is issued to the taxpayer informing them that he/ she/they are under investigations and outlining the reasons for such investigations as well as the potential amounts of taxes lost.

#### Request for Documents

During Investigations, the officers may obtain records (including electronic format) from the taxpayer or directly from third parties for examination to establish the tax affairs of the taxpayer. This information can be obtained via ordinary requests or through use of court warrant. Information obtained will be treated with confidentiality.

#### Analysis of records

The records obtained are then analysed against the taxpayer's self-declaration if any, and any other available information to establish the actual tax liability.

#### Interviewing and Recording of Statements

Statements may be recorded from the taxpayer and any other persons of interest to the case being investigated.

#### Finalisation of Investigations



A taxpayer being interviewed by KRA officers source: KRA

tax evasion, the Commissioner may initiate criminal proceedings against the taxpayer.

c. Additionally, where investigation discloses the commission of economic crimes and other offences the Commissioner may refer the matter to the relevant law enforcement agency.

#### Offer of settlement

Where a taxpayer makes voluntarily disclosures during an investigation or enters into an offer of settlement with the Commissioner, the offence committed may be compounded as provided for under relevant revenue laws. Further settlements may be undertaken through the established Alternative Dispute Resolution mechanisms.

## 8 POWERS OF THE COMMISSIONER

### a) Access to Premises and search

The law allows KRA officers with warrants to enter into and search taxpayer's premises including but not limited to residential, offices, private homes, factories, industries, vehicles, warehouse, laboratory, or any other location and seize data, records and equipment for purposes of examination.

The officers may inspect all goods, equipment, devices and records, whether in the custody or control of a public officer, or of a body corporate or of any other person, and may make extracts from or copies of those records. The officers may secure, take possession, photograph, seize, detain, seal off, put under excise and customs



Multi-Agency Team operation media briefing by the Inspector of Police. Source: KRA



Where there is sufficient evidence of commission of a tax offence, the taxpayer and any other person involved in the commission of such an offence will be prosecuted in a court of law notwithstanding payment of taxes due.



control and record statements from relevant persons.

It is an offence to hinder or obstruct the officers in carrying out their duties under the revenue laws.

The officers may secure, take possession, photograph, seize, detain, seal off, put under excise and customs control and record statements from relevant persons.

It is an offence to hinder or obstruct the officers in carrying out their duties under the revenue laws.

### b) Security for taxes during investigations

For purposes of securing payment of taxes due, steps are taken to ensure the concerned taxpayer furnishes security for the tax due. This may be done at any stage of the investigation. The Commissioner does this by requiring the taxpayer to commit payment of tax by furnishing bank guarantees or any other form of security determined by the Commissioner.

The Commissioner is also empowered to hold as security an asset such as land or a building owned by a taxpayer who has defaulted in payment of tax. This is done through placing caveats on subject properties and other assets owned by taxpayers and beneficiaries.

### c) Arrest and prosecution

Where there is sufficient evidence of commission of a tax offence, the taxpayer and any other person involved in the commission of such an offence will be prosecuted in a court of law notwithstanding payment of taxes due.

**Note that prosecution is not a bar to**

**payment of taxes and vice versa.** In this regard, the two processes in most cases are initiated and progressed concurrently. In some cases taxpayers who are under investigation will be required to be bonded (police bond) throughout the investigation process.

**Note, for purposes of administering tax laws KRA officers have all powers, rights, privileges and protection of a police officer.** Further, the Director of Criminal Investigations (DCI) has seconded his officers to the Revenue Protection Services Unit to complement the investigative function.

### d) Waiver of Penalties and Interests

Where a taxpayer has been charged and prosecuted in a court of law, the law provides for penalties to be waived. In non-fraud cases upon payment of the principal taxes, the taxpayer is at liberty to make an application for waiver of penalty and interest and the same will be processed as per the law and established procedures.

### e) Compounding

Where a taxpayer has applied for compounding of an offence under the law, the Commissioner may, if satisfied that such taxpayer has cooperated in the investigations and has made full and true disclosure of facts relating to the case and paid taxes due, grant such person, immunity from prosecution for the offence.



A suspect arraigned in court on alleged commission of a tax offence. Source: KRA

## 10 TAXPAYERS' RIGHTS AND OBLIGATIONS UNDER INVESTIGATION

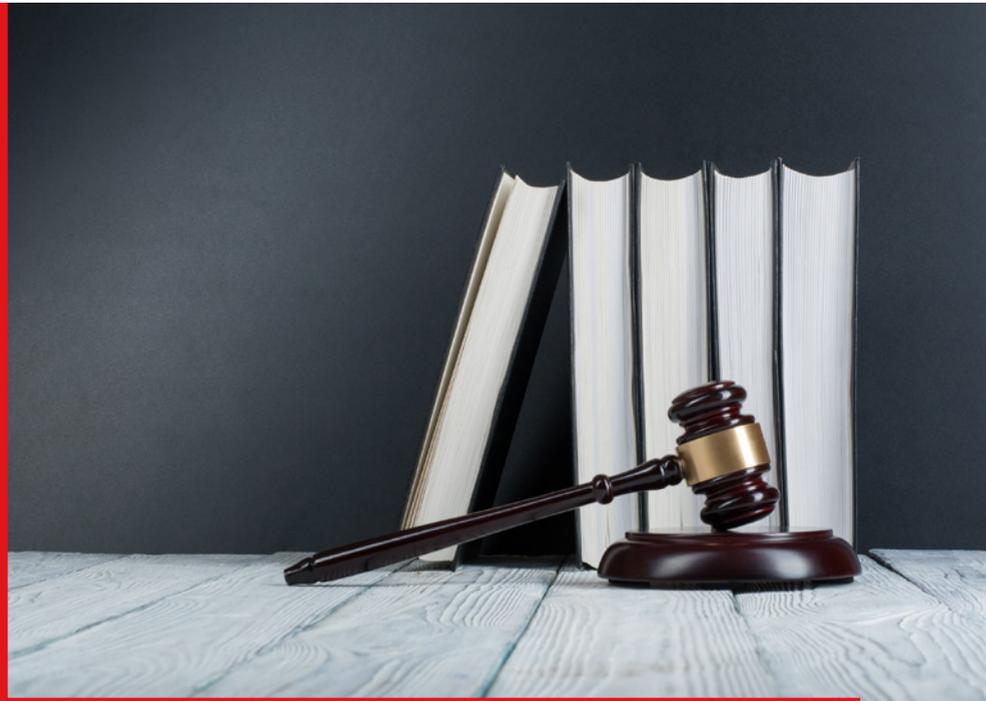


# Rights

### Taxpayers Rights

1. Officers carrying out investigations shall identify themselves as being KRA officers by showing staff identification cards;
2. To be informed of the purpose and reasons for the investigations;
3. To be treated with respect and common courtesy by KRA officers;
4. To expect confidentiality within the applicable laws in respect of their personal right to privacy;
5. To seek clarification on any rule or legislation and its implementation;
6. To seek and receive information on all issues pertaining to IED operations and to get an opportunity to question and constructively criticise IED services levels and the manner in which IED officers have communicated with taxpayers;
7. To expect fair, just and impartial treatment regardless of whether the taxpayer has agreed with the KRA decisions, complained or committed an offence;
8. To object and appeal against a tax decision as provided in law;
9. To expect consistency in application of the law; and
10. To be represented and advised by an advocate, tax agent or tax consultant. However, note that the responsibility of payment of taxes and liability thereof ultimately lies with the taxpayer.

*In observing these rights of taxpayers, KRA officers will be guided by the core values of being Trustworthy, Competent, Ethical and Helpful.*



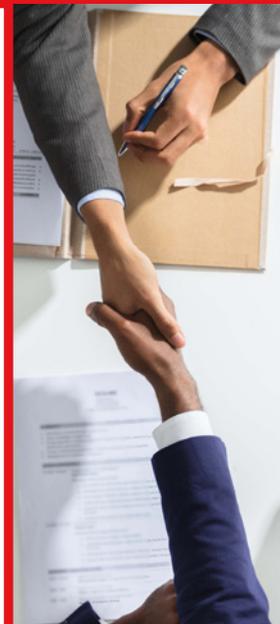
## 9 ENFORCEMENT MEASURES TAKEN DURING AND AFTER INVESTIGATIONS

- a) Arrest and prosecution of offenders
- b) Recovery of debts
- c) Issuance of Departure Prohibition Orders
- d) Issuance of agency notices
- e) Preservation of Funds
- f) Asset caveats
- g) Cancellation of TCC
- h) Deactivation of PINS
- i) Stoppage of cargo clearance
- j) Continuous surveillance among others.



**The length of investigation depends on the scope of investigation, complexity of the issues and the level of cooperation you and your professional adviser render during the investigation.**





**Taxpayer's conduct and cooperation during the course of the investigation will be taken into consideration when the Commissioner determines the appropriate outcome of the investigation and recommendation for waiver of penalties and interest.**

# 1,000,000

It is an offence to hinder or obstruct the officers in carrying out their duties under the tax laws. A person guilty of such offence, shall be liable on conviction to a fine not exceeding Ksh.1,000,000/=; or imprisonment for a term not exceeding 3 years; or both.

## 12 CONDUCT OF TAXPAYERS UNDER INVESTIGATION

### a) Cooperation

The investigation will be undertaken with or without taxpayer's voluntary cooperation. A taxpayer's conduct and cooperation during the course of the investigation will be taken into consideration when the Commissioner determines the appropriate outcome of the investigation and recommendation for waiver of penalties and interest.

### b) Permit access to Premises and Information

The law allows KRA officers to obtain information, specifically the power to have full and free access to all lands, buildings, places, records, data and documents.

The officers may inspect all goods, equipment, devices and records, whether in the custody or control of a public officer, or of a body corporate or of any other person, and may make extracts from or copies of those records.

It is an offence to hinder or obstruct the officers in carrying out their duties under the revenue laws. A person guilty of such offence, shall be liable on conviction to a fine not exceeding Ksh.1, 000, 000/=; or imprisonment for a term not exceeding 3 years; or both.

### c) Provide Information

You are required to provide any information and documents that Investigation Officers may reasonably request. You will be given a reasonable amount of time to respond to our requests.

You should ensure that any information you provide and any answers you give are correct and complete. Under the law, false statements or information provided can result in a criminal investigation with a view to prosecution. Further, failure to provide information (including third party information) constitutes an offence under revenue laws.

### d) Maintain Records

You are required to maintain any document required under a tax law to enable your tax liability to be readily ascertained. In this regard you are required to retain the document for a



# Obligations

## 11 TAXPAYERS OBLIGATIONS

1. To register for a tax PIN and in the case of a business whose annual turnover is Kes. 5million and above to register for the VAT obligation and use of ETR ;
2. Submit returns on time;
3. Make payment of the correct amount of tax on time;
4. Cooperate with KRA officials by providing appropriate facilities, according them due respect and freedom as they carry out their lawful duties;
5. Maintain up-to-date and accurate records on all matters that may be relevant to financials and business;
6. In case of an objection to a tax assessment, to lodge the objection within time and to pay the undisputed amount for the objection to be considered as validly lodged;
7. Notify the commissioner of any mistakes promptly;
8. Submit all relevant information accurately in order to enable the commissioner to assess tax liability correctly as per the law;
9. Honour summons to appear before the commissioner;
10. Record witness statements when required to do so;
11. Promptly report any wrong doing by any or our officers; and
12. To acquaint yourself with revenue laws.
13. Maintain records as required by tax laws for taxation purposes



**Submit all relevant information accurately in order to enable us to assess tax liability correctly as per the law**

period of five (5) years from the end of the reporting period to which it relates or such shorter period as may be specified in a tax law . However note that an investigation will require records beyond the 5 year period in cases where there is gross or wilful neglect, evasion or fraud by a taxpayer.

#### i. Businesses

For businesses, the Commissioner requires all accounting and business records, source documents such as contracts, invoices, payment vouchers and receipts that substantiate all the transactions, bank statements and payment evidence including digital data records.

#### ii. Individuals

For individuals, the Commissioner requires all documents and records (including digital records) pertaining to income and assets acquired as well as expenses incurred.

### 13 INTEGRITY

While under investigations, the taxpayer is required to maintain high level of integrity. Investigation officers are under a duty to serve taxpayers and conduct investigations in a transparent and credible manner. Any involvement in a manner that will compromise investigations will amount to an offence prosecutable in a court of law.

“ The taxpayer is required to maintain high level of integrity. Investigation officers are under a duty to serve taxpayers and conduct investigations in a transparent and credible manner.



## ANNEXURES

### Annexure 1: Mode of Enforcement

In the course of investigation and for purposes of ensuring security and recovery of taxes, investigators undertake the following enforcement measures.

Provision of the law	Enforcement methodology
Section 39 TPA	Recovery unpaid taxes by way of suit.
Section 40 TPA	Security on taxes e.g land or building
Section 41 TPA	Distress orders for the recovery of unpaid tax
Section 42 TPA	collecting tax from third parties owing money to a taxpayer through agency notices
Section 43 TPA	Preservation of funds for 10 days. Extension for further period (30 days) done through court.
Section 44 TPA	seizure and forfeiture of goods
Section 7 of TPA	Arrest and detention
Section 57 & 107 TPA	Prosecution of offenders
Section 45 TPA	Issuance of Departure Prohibition Orders
Section 60 TPA	Power to search & seize
Section 130 EACCMA;	Power to distrain goods, vessels, vehicles, premises etc to recover taxes, even back taxes.
Section 152 EACCMA;	power to enter & search vessels;
Sections 210 – 216 EACCMA:	Power to search, seize & forfeiture goods, vessels, vehicles to ensure delinquents do not benefit from crime & tax evasion.
Section 155 & 156; EACCMA	power to stop; search & arrest; even prosecute individuals;

### Annexure 2: Tax Obligations and Timelines for Filing Returns

RETURN TYPE	FREQUENCY OF FILING	SUBMISSION TIMELINE
V.A.T	Monthly	On or before 29 <sup>th</sup> of the following month
P.A.Y.E	Monthly	On or before 9 <sup>th</sup> of the following month
Withholding Tax	Annually	20 <sup>th</sup> day of the fourth month after the end of the accounting period
Corporation Tax	Annually	Payable in instalments and balance paid on or before 20 <sup>th</sup> day of the 4 <sup>th</sup> month following the accounting period. Returns are filed on or before the end of the 6 <sup>th</sup> month following the end of the accounting period
Income Tax (Individuals)	Annually	20 <sup>th</sup> day of the fourth month after the end of the accounting period
Capital Gains Tax	Transaction Based	On or before the date of lodgement of application for the relevant Lands Office
Excise Duty	Monthly	On or before 20 <sup>th</sup> day of the following month

### Annexure 3: Common Offences and penalties

Offense	Penalty/sanction
Failure to Register or deregister for tax purposes	KES 100,000 per month but not more than KES 1 Million
Failure to retain records and documents	10% of the amount payable to which the document relates. Where no tax is payable for the reporting period, KES 100,000 shall apply as the penalty.
Late submission of returns	PAYE – the higher of 25% of the amount due or KES 10,000  Turnover Tax – KES 5,000. In the case of any other return- the higher of 5% of the tax payable or KES 20,000
Failure to comply with electronic tax system	KES – 100,000
Tax Avoidance	Double the tax liability
Omission of income from returns, under declarations of income, or deliberately defaults on an obligation imposed by a tax law	Fine of KES 10 million or double the tax evaded, whichever is higher or to imprisonment for a term not exceeding ten years, or to both.
Assisting a taxpayer to create a tax avoidance scheme, or abets or aides a taxpayer to evade tax.	A fine equal to double the tax evaded or to a fine =< 5m whichever is higher or to imprisonment for a term =< 5 yrs, or to both.
Failure to maintain documents during a reporting period.	Fine =< 1m or imprisonment for a term =< 3 yrs, or to both.
Failure to submit tax return or other document by due date.	Fine =< 1m or imprisonment for a term =< 3 yrs, or to both.
Failure to pay tax.	Fine =< 1m or imprisonment for a term =< 3 yrs, or to both.
Omission of income from returns.	Fine =< 10m or double the tax evaded, whichever is higher or imprisonment for a term =< 10yrs, or to both.
Failure to comply with a notice issued under section 42.	Fine =< 2m or imprisonment for a term not exceeding 5 yrs, or to both
Failure to comply with an order for preservation of funds issued under section 43	Fine =< 2m or imprisonment for a term not exceeding 5 yrs, or to both.
Departing or attempting to depart from Kenya in contravention of a departure prohibition order.	Fine =< 2m or imprisonment for a term not exceeding 5 yrs. or to both.
Failure to pay a transferred tax liability as required under section 46	Fine =< 2m or imprisonment for a term not exceeding 5 yrs, or to both

Failure to provide information or produce any document for examination as required by the Commissioner.	Fine =< 1m or imprisonment for a term =< 3 yrs or to both.
Failure to appear before the Commissioner.	Fine =< 1m or imprisonment for a term =< 3 yrs or to both
Hindering or obstructing the Commissioner or an authorised officer in the performance of his duties.	Fine =< 1m or imprisonment for a term =< 3 yrs or to both

### Annexure 4: Common Customs Offences

Offences	Penalty/sanction
Conspiracy to contravene any of the provisions of EACCMA. (S. 193)	Imprisonment for a term not exceeding five years.
Removing or defacing customs seals.	Imprisonment ≤3yrs or fine ≤\$2,500 or both.
Importing prohibited, restricted and uncustomed goods.	Imprisonment for ≤ 5yrs or to a fine equal to 50% the value of the goods involved or both.
Offence to import or export concealed goods	Imprisonment for ≤ 5yrs or to a fine equal to 50% the value of the goods involved.
Offence to make or use false documents	imprisonment for ≤ 3yrs or to a fine ≤ \$10,000
Refusal to produce documents, etc	Fine not exceeding \$5,000 or the court may impose a fine not exceeding three times the value of any goods in question.
Offence to interfere with customs gear	Fine not exceeding \$2,500.

### Some of the Excise Offences

- Manufacturing of excisable goods without license or unspecified premises.
- Failure to account for excisable manufactured goods.
- Transfer of manufacturing license to another person.
- Failure to keep and maintain metering and measuring devices or records and books of account necessary for proper accounting of excisable goods.
- Acquiring excise stamps without authority or being in possession of excisable products without excise stamps

### Some of the VAT/PAYE Related Offences

- Failing to deduct and account for PAYE.
- Failing to deduct and account for Withholding VAT, withholding tax.
- Failure to comply with any regulations in relation to ETR.
- Failure to register as a taxable person for VAT while he is qualified as such or holds himself as so when his registration has been cancelled.



“ Development- Tax compliance leads to national development and delivery of quality services.

INVESTIGATIONS AND ENFORCEMENT DEPARTMENT

# Tax Investigation Framework

Taxpayers' Edition

INVESTIGATIONS AND ENFORCEMENT DEPARTMENT

# Tax Investigation Framework

**Taxpayers' Edition**

This handbook is a guide to the taxpayers on their expectations and a glimpse into our investigations process. Whenever there's any ambiguity or inconsistency with the applicable laws, the applicable laws shall take precedence.

**Prepared by:**  
Investigations and Enforcement Department