



VOLUNTARY TAX DISCLOSURE PROGRAM (VTDP) FAQs

1. What is Voluntary Tax Disclosure Programme (VTDP)?
This is a programme where a taxpayer confidentially discloses tax liabilities that were previously undisclosed to the Commissioner for the purpose of being granted relief of penalties and interest of the tax disclosed.
2. When will VTDP become effective?
VTDP shall be effective 1 st January 2021 and shall run for a period of 3 years up to 31 st December 2023.
3. Which tax periods will VTDP Cover?
The disclosures eligible under this programme will be undisclosed taxes that accrued in the 5 - year period from 1 st July 2015 to 30 th June 2020.
4. What remission will an applicant get on penalties and interest?
Where the Commissioner is satisfied with the facts disclosed in the application, the taxpayer shall be granted a relief of the interest and penalty due on the tax disclosed and paid as follows- a) 100% remission where the disclosure is made and tax liability paid in the first year of the programme b) 50% remission where the disclosure is made and tax liability paid in the second year of the programme c) 25% remission where the disclosure is made and tax liability paid in the final year of the programme
5. What tax liabilities are covered under VTDP?
VTDP shall apply to tax liabilities accrued in the 5-year period from 1 st July, 2015 to 30 th June, 2020 covering the following tax heads: <ul style="list-style-type: none">• Individual income tax• Corporate tax• PAYE• Withholding income taxes• Capital Gains Tax• Value Added Tax• Withholding VAT• Excise duty• Turnover Tax• Monthly Rental Income Tax



6. How can a person apply for VTDP?

- a) A person who wishes to take advantage of VTDP shall log into the iTax portal, and select the “*Voluntary Tax Disclosure Program*” under the returns menu;
- b) Select the applicable tax obligation for which relief is being sought;
- c) Under Section A, capture the return period and upload the relevant supporting documents;
- d) Under Section B, capture the undeclared turnover, undeclared expenses, undeclared gross amount and the tax payable (for payment registration where applicable) and submit application;
- e) The applicant shall receive an acknowledgement slip via registered email address and a verification task shall be created at the respective Tax Service Office (TSO);
- f) Upon approval/rejection of the application, the applicant will receive approval/rejection notice via their registered email address;
- g) For approved cases, the taxpayer shall generate a payment slip (PRN) as per the filed VTDP return and make the payments accordingly;
- h) A VTDP certificate will be issued to the applicant upon payment of the disclosed taxes.

A diagrammatical step-by-step guide is provided in the KRA website.

7. Can a taxpayer be prosecuted after disclosure?

No. A person granted relief under VTDP shall not be prosecuted for tax liabilities disclosed under the programme. However, where the applicant fails to disclose the material facts in respect of the relief granted, the Commissioner may withdraw the relief, assess additional tax or commence prosecution.

8. Can an applicant settle the disclosed tax liability in instalments?

The Commissioner shall enter into an agreement with the taxpayer setting out the terms of payment of the tax liability and the payments shall be made within one year.

9. Can a person file an amended VTDP return?

Amendment of the original VTDP Return may be made once at any time within the VTDP payment arrangement period provided that the amendment does not result into a refund of taxes already paid under the programme.



10. Is VTDP applicable to all Persons?

A Person shall not be eligible for VTDP where: -

- a) the person is under audit or investigation for the undisclosed tax, or has been served with a notice of intention to investigate or carry out an audit/compliance check for the undisclosed tax; or
- b) the person is a party to an ongoing litigation in respect to the tax liability or any matter relating to the tax liability

11. What other conditions are attached to VTDP?

- a) VTDP only applies to a disclosure resulting in payment of taxes.
- b) A person shall not be granted relief under the VTDP which may result into a refund of taxes paid.
- c) A person granted relief under the programme shall not be prosecuted on the same set of facts in respect of the fully disclosed and paid taxes.
- d) A person granted relief in accordance with the provisions of the VTDP shall not appeal or seek any other remedy with respect to the taxes, penalties and interest remitted by the Commissioner.

12. What are the benefits of VTDP?

- a) It provides an avenue for taxpayers with previously undisclosed taxes to disclose and pay without imposition of punitive penalties and interest.
- b) The program is aimed at enhancing revenue collection through improved compliance by bringing more taxpayers into the tax net.

13. Will a person be issued with a certificate?

A successful applicant shall be issued with a VTDP certificate, which shall serve as evidence that the person took advantage of the VTDP for the taxes, tax period(s) and tax obligation specified in the certificate.

14. What happens to those who had made their VTDP applications manually?

Taxpayers who had made manual applications are requested to lodge an application via the iTax platform and attach a copy of the manual application together with evidence of payments already made as supporting documents. Once the Tax Service Office has reconciled the payments and confirmed that full payment of the taxes disclosed have been made, the taxpayer shall be issued with a certificate.

COMMISSIONER OF DOMESTIC TAXES

JULY 2021