

Taxwise Africa Consulting LLP



Firm Profile



1. About Taxwise Africa

Taxwise Africa is an independent tax & legal advisory firm established in 2012 with the objective of providing high end advisory services to our clients.

Business Model

Taxwise Africa moves away from the restrictive environments of accounting/audit/legal firms to provide client-focused tax & legal consultancy services in an environment conducive for innovation of bespoke solutions for our clients. We are therefore not an accounting/legal/audit firm. Our service model differs in that we do not seek to service a large portfolio of clients, but a sizeable one whom we can give round the clock attention. We seek to stay very close to our clients thus understanding their businesses in greater detail and keep abreast of developments to ensure past, present, and future tax risks and opportunities are identified early enough and dealt with pro-actively.

Client Focus

We ensure that by the nature of our clients' business that we take a proactive approach to tax risk management and tax opportunities identification to mitigate risks effectively and take advantage of all the tax savings available to our clients on each business transaction they undertake. This ensures optimization of our clients' tax efficiency and compliance. The Taxwise Africa team brings together extensive knowledge and experience that will help our clients to plan strategically.

Creating Value

Taxwise Africa strives to create value to our clients by reviewing their business model and strategy vis-à-vis the tax risks and opportunities and offering proactive targeted tax solutions to counter tax risks and take full advantage of the tax savings available. Our engagements are structured to ensure maximum value to our clients and significantly reduce the risk of tax adjustments and cost of compliance in the future. We endeavour to help solve our clients' tax challenges and take full advantage of available tax planning and savings

opportunities, which will contribute to boosting their performance and thus maximize value to all stakeholders.

Service Excellence

We draw on our expertise and hands-on approach to deliver comprehensive suite of tax solutions to our clients. Our commitment to clients is to offer comprehensive tax advisory services, free from audit-based conflicts of interest and round the clock dedication to attending to all their tax matters. Our team of seasoned professionals is focussed on providing a range of tax expert services that fully address the needs and concerns of our clients. These include:

- ✓ Tax disputes and litigation across East Africa region i.e. from pre-assessment to the Supreme Court or the East African Court of Justice where required;
- ✓ Tax disputes mediation/arbitration at the Alternative Dispute Resolution (ADR);
- ✓ Tax compliance reviews/tax health checks covering all tax heads across East Africa;
- ✓ Tax planning and structuring/re-structuring;
- ✓ International tax, Transfer Pricing reviews and documentation services;
- ✓ Assistance in securing tax incentives i.e. Custom Duties exemptions, VAT reliefs and capital allowances;
- ✓ Preparation of tax computations and filing of tax returns;
- ✓ Tax training services;
- ✓ Tax lobbying; and
- ✓ Tax policy and controversy.

Regional Coverage

Taxwise Africa offers personalized, integrated & quality services cutting across the East African region. We have local expertise in Kenya, Uganda, Tanzania, Rwanda & South Sudan. We have a regional view, with local knowledge. Our in-depth understanding of the regional legal & tax systems helps us tailor tax solutions to our clients seamlessly across the region.



Recent Taxwise Engagements Summary

1. Summary of recent Cases at the Tax Appeals Tribunal and High Court

- ✓ Successfully represented the Shipping Companies as an industry at the Tax Appeal Tribunal as to the imposition of Withholding Taxes on demurrage charges and detention fees and who bore the responsibility to account and as to the payment of VAT on the bill of lading and delivery order fees;
- ✓ Successfully represented one of the major banks in Kenya at the Tax Appeals Tribunal and High Court against a demand of Kshs. 89,000,000 relating to excise duty on interchange fees and money transfer services.
- ✓ Successfully represented and got favourable orders on behalf of a Client in a Kshs. 2.3 billion demands by the customs department on alleged import duties.
- ✓ Successfully represented a shipping company at the Tax Appeals Tribunal against a rejection of VAT refund by the Kenya Revenue Authority. The matter was decided in favour of our client.
- ✓ Successfully represented an IT company at the Tribunal and High Court on alleged demand of Withholding Tax on royalties. However, based on the nature on the transaction, our client was not liable to pay the said amounts. The Courts agreed with our submissions and proceeded to issue orders in favour of our client. We are also currently handling similar cases with our clients in the IT industry who have Withholding Tax exposures.
- ✓ Successfully represented a manufacturing company in a dispute relating to the demand of import VAT by the customs department and yet the materials the subject of alleged import VAT had been imported under the inward processing procedure (IPP) hence exempt from import duties.
- ✓ Successfully represented a group of companies in a reconciliation dispute leading to overestimation of the company's revenues which affected the payable VAT and corporate taxes.

- ✓ Successfully represented a client in a demand of alleged taxes and yet the client had made overpayment in previous years and hence had withholding credits under the legacy system that could be utilized by the KRA to offset any tax owing from it under Itax system.

2. KRA Audit assistance

We have undertaken numerous KRA audit assistance where we significantly reduced the assessed amount for clients in the IT, shipping, manufacturing, banking, and construction industries were we;

- ✓ Objected to a \$50M excise duty assessment for a mid-tier bank in Kenya;
- ✓ Defended a client acting as a buying agent for its parent company as well as being a distributor on own account that resulted in the vacating of a \$50M transfer pricing demand;
- ✓ Acted on behalf of major shipping company in Kenya in a KRA audit that led to vacating of a demand of \$8 million;
- ✓ Objected to an assessment on the imposition of withholding tax on the sale software;
- ✓ We have represented the Kenya Ships Agents Association & various shipping agents in disputes with the KRA at the audit and objection stage;
- ✓ Significantly reduced a KRA audit assessment for a construction company from \$50 Million to \$200,000;
- ✓ We assisted a company in the real estate industry in objecting to \$7.7 Million tax assessment.
- ✓ Acted for a tea agent by developing a Comparable Uncontrolled Price (CUP) assessment for a client acting as a buying agent for its parent company as well as being distributor on own account that helped in vacating of a billion shillings KRA transfer pricing audit;
- ✓ Obtained private rulings on interpretation and administration of taxes on behalf of clients.



3. Transfer Pricing Assignments undertaken

We have undertaken transfer pricing policy documentation and review for companies in various industries including healthcare, manufacturing, distribution, shipping, banking, finance, agriculture, hospitality and real estate in Kenya, Uganda, Tanzania, and Rwanda.

This includes;

- ✓ Documentation of a transfer pricing policy for a large micro finance lender in Kenya with related entities in Mauritius, South Africa, Zambia, and Ghana by benchmarking various controlled key transactions among them a \$50 million intercompany loan.
- ✓ Transfer pricing documentation for a venture capital fund with a branch in Kenya with the head office in Belgium;
- ✓ Preparation of a transfer pricing documentation for a major fish supplier in the East Africa region with operations in Kenya, Uganda, Rwanda, and Tanzania;
- ✓ Prepared a transfer pricing policy for a major shipping agent in Kenya, Tanzania, and Uganda;
- ✓ Prepared a transfer pricing documentation for one of the largest marine engineering companies in Kenya;
- ✓ Undertaken technical review and negotiations on the transfer pricing assessments/adjustments by revenue authorities.

4. Structuring and International Tax Assignments

We have tax structuring for various taxpayers undertaking various projects and investments in Kenya. The structuring undertaken cover transfer pricing, onshore & offshore structures, operations structuring to ensure tax efficiency, equity versus debt financing, permanent establishments implications and various tax savings exercises under corporation tax, withholding tax, capital gains tax, PAYE, VAT and Customs duties.

- ✓ Tax structuring for a local bank shares sale and investment in a fiber optic cable that significantly minimized the tax costs.
- ✓ Structured operations for various foreign investments in Kenya and advising on the structuring of three power lines and solar power projects in Kenya;

- ✓ We advised an engineering company based in France looking to set up in Kenya, on the most efficient tax structure with reference to local laws and the double tax agreement (DTA) with France;
- ✓ We advised a large telecommunications company in Kenya on the tax set up and implication of a contract with a partner based in the United Arab Emirates;
- ✓ Advisory on tax set up and DTA implications for a major micro finance lender on the most tax efficient authority to set up in;
- ✓ We advised a healthcare provider on the tax implications of various special purpose vehicle options, jurisdictions, and business model on setting up business support centers in multiple jurisdictions across Africa, EU, and Asia/Middle East; and
- ✓ Advisory on the tax implications of foreign exchange differences for a leading multinational technology company in Holland with a base in Kenya.

5. Refunds, Exemptions and Capital Deduction Claims

This entailed conducting VAT and Income tax refund audits, lodging the refund claims, and following up the claims with the Kenya Revenue Authorities for processing;

- ✓ Successfully lodged Investment deduction applications for a platform builder based in Mombasa with an investment of \$ 300M as well as a country club with accommodation facilities worth \$210.
- ✓ Successfully lodged refunds for companies in the IT, agriculture, shipping, and construction industries;
- ✓ Acted on behalf of Spanish power sub-contractors and civil works contractors in successfully unlocking VAT exemptions;
- ✓ Successfully applied for credit utilization against taxes payable by our client.



6. Health checks and Tax Computations

We have conducted various risks and opportunities review that have seen our clients benefit from efficient tax saving measures and reduced cost of compliance by;

- ✓ Reviewing of major business transactions and advising on any risks and opportunities available;
- ✓ Assisting in developing and implementing tax risk control frameworks;
- ✓ Assist in set up of internal tax resources, development of the key performance indicators (“KPIs”) for the resources and offer tax trainings to ensure effective tax risk mitigation, where the client requires; and
- ✓ Prepared tax computations and deferred tax computations for clients in the hospitality, financial services, agricultural sectors, information technology, construction, manufacturing, oil and gas, shipping agency and container terminal handling sectors thus ensuring that all items in the financials are accorded the correct tax treatment;
- ✓ Successfully assisted clients implement health check findings and obtain tax waivers and/or amnesties where applicable.

7. Trainings and Capacity Development

We have conducted various tax trainings for the staff and members of various organizations, including but not limited to;

- ✓ The Economic and Commercial Office of The Spanish and Dutch Embassies in Kenya;
- ✓ The German Business Association Kenya;
- ✓ The Logistics and Shipping Industry stakeholders among others.

8. International Tax Publications

We are regular contributors of articles published in various international tax journals including; Bloomberg, International Bureau for Fiscal Documentation (IBFD), International Tax Review, Tax Notes International and Tax Analysts, among others.

9. Lobbying

- ✓ We acted on behalf of manufacturers of sanitary pads in Kenya that led to exemption of import VAT on raw materials for manufacture of sanitary pads;
- ✓ We have resolved tax controversies between KRA and the Kenya Shipping Association that led to zero rating of supplies to shipping companies;
- ✓ We have made technical presentation for the Kenya Transportation Association resulting in the zero-rating of services provided to goods on transit previously exempted by the VAT Act, No. 35 of 2013;
- ✓ We have lobbied KRA and the Ministry of Finance on behalf of the Kenya Association of Tour Operators, Kenya Shipping Agents Association and Tea Traders Association;
- ✓ We have prepared and presented a lobby paper for a telecommunications company to exempt WHT on a specific project with large capital outlay.



In line with the tax and legal advisory services previously outlined, Taxwise offers the following immigration services to foreigners travelling to Kenya for either tourism or business for both short-term and long-term stay;

- Electronic Travel Authorisation (eTA) applications
- Visa applications
- Visa extension applications
- Special pass applications
- All work permit classes applications
- Renewal of all classes work permits applications
- Alien cards applications
- Dependency pass applications
- Permanent Residency applications
- Citizenship applications
- Dual citizenship applications

Our rate card for the same are as outlined below;

Service	USD	EUR
ETA / Visa	FREE	
Special Pass	220.00	205.00
Work Permit	1,300.00	1,208.00
Alien Card	310.00	290.00
Dependency Passes	450.00	420.00
Permanent Residency	6,500.00	6,035.00
Citizenship	6,500.00	6,035.00
Dual Citizenship	400.00	430.00

We draw on our expertise and hands-on approach to deliver applications in record time to our clients.

Our team of seasoned professionals is focused on providing a range of immigration services that fully address the needs of our clients. These include:

- ✓ Requesting clients, the various necessary documentation required to make the different application and making applications round the clock;
- ✓ Make calls with Kenya's immigration department to do follow ups on different applications with inclusion of physical follow ups at Nyayo House;
- ✓ Submission of physical paperwork with immigration department after online applications;
- ✓ Providing frequent feedback and updates on the stages reached during each application to the client;
- ✓ Preparing the client early enough on the expected immigration processing fees and issuance fees of the various applications;
- ✓ Helping the client in drafting letters that are part of requirements by immigration for client's adoption and sign off;
- ✓ Request the client's scheduled stay plan in Kenya and do calendar plans for the succeeding applications dates;
- ✓ Lobbying on behalf of the client on rejected applications due to technicalities;
- ✓ Handling of client's documents with utmost privacy and professionalism;
- ✓ Accompanying clients to immigration office during endorsement of their documents and biometrics as and when they are required to physically appear;



References

Some of our clients that best illustrate our capability include;

1. Heineken East Africa Limited;
2. Kenya Hospital Association – The Nairobi Hospital
3. Hospital Holdings Investment B.V. (AAR Healthcare Group)
4. Seven Seas Technologies and the Ponea Health Group;
5. Safaricom PLC;
6. Mpesa Africa;
7. African Banking Corporation Limited;
8. Kenya Wines Agencies Limited;
9. Maersk Group – Maersk, APMT, Damco, Great Lakes;
10. Inchcape Kenya & Inchcape Uganda Limited;
11. Ocean Freight East Africa Limited & MSC Mediterranean Shipping Company S.A;
12. Kenya Transport Association;
13. The East African Marine Systems;
14. Caddell Construction Co. (DE), LLC
15. Incentro Africa Limited;
16. WEC Kenya Limited;
17. Express Shipping and Logistics (EA) Limited – Kenya, Uganda, and Tanzania;
18. Alpha Group – Kenya, Uganda, Tanzania & Rwanda;
19. Kenya Shipping Agents Association;
20. Tatu City Limited;
21. Rendeavour Services Kenya Limited;
22. Kofinaf Group – Kofinaf Limited, Eaagads Company Limited, Garton Limited & Oaklands
23. Karen Country Club;
24. Phillips East Africa;
25. Sybyl Kenya Limited;
26. Strathmore University;

27. AEE Power;
28. Breentag;
29. Cloudfactory;
30. Africa Smart Mobility Solutions Limited;
31. Virtual Pay;
32. Pesapal;
33. Kenya Pooled Water Fund;
34. Alten;
35. AdaptIT;
36. Among others.

Specific references will be provided upon request.



2. Your Taxwise Africa Team

Deep engagement and constant communication are the best way to do business as they form and cement relationships while allowing more productive discussions. Furthermore, each engagement will require a detailed and customized approach that requires our full understanding of TNH's business and structure.

While Martin Kisuu is the overall Partner for this assignment, Samuel Njoroge will be the engagement leader responsible for directing and managing the engagement team. Various consultants & analysts will provide support in executing the engagement. The profiles of the lead engagement team are as follows:



Martin Kisuu
Managing Partner – Taxwise Africa Consulting LLP

Education and Qualifications

Certified Public Accountant (K)

Fellow of the Institute of Certified Public Accountants (FCPA)

Member of the Legislative Affairs - Public Policy Committee of ICPAK

Over 25 years of professional tax practice:

January 2016-Present: : Managing Partner, Taxwise Africa Consulting LLP
August 2012 – December 2015 : Managing Director, Taxwise Africa Limited
June 2009 – June 2012 : Regional Tax Partner, PKF Eastern Africa
2004 – 2009 : Partner, Deloitte and Touche
1998 – 2003 : Senior Tax Manager/Director, Deloitte and Touche
1994 – 1996 : Tax Senior, Coopers & Lybrand

Professional and Industry Experience

Martin Kisuu has over 25 years professional experience in taxation and has served on the Public Finance Committee of ICPAK, heading its Technical sub-committee. He is a fellow of ICPAK and currently serves in the Legislative Affairs work stream under Public Policy and Governance Committee of Institute of Certified Public Accountants of Kenya (ICPAK).

He is a regular author for Bloomberg, International Tax Review and Tax Analysts. He has also worked as an author and reviewer for the International Bureau for Fiscal Documentation (IBFD) and has served as a member of the Kenya Customs Valuations Appeal Tribunal. His experience spans across all sectors of the Kenyan and East African economies. Some of the specific assignments that Martin has managed include the following:

- Made technical presentation for the Kenya Transportation Association resulting in the zero-rating of services provided to goods on transit previously exempted by the VAT Act, No. 35 of 2013;
- Has represented the Kenya Ships Agents Association & various shipping agents in disputes with the KRA;
- He has overseen Transfer Pricing advisories for various companies including Gapco Kenya and Uganda Limited, Basco Products Kenya and Uganda Limited, Nile Energy Uganda Limited, Style Kenya and Uganda, Medipharm Uganda Limited, Bakri Kenya and Uganda Limited, Freight Forwarders Kenya Limited, Friendship Containers Limited, Real People Kenya Limited, Siemens Uganda Limited, VFS Kenya and Uganda Limited, Symbion Uganda Limited and many others.
- Represented KPLC in a dispute with KRA that led to the zero rating of the first 200 units of electricity supplied to a person under the 5th Schedule of the VAT Act.
- He made a technical presentation on behalf of sports club clients that resulted in the publication of VAT Public Notice Number 20.
- He made a technical presentation on behalf of banking clients which led to the publication of the VAT Public Notice Number 14.
- He has lobbied KRA and the Ministry of Finance on behalf of the Kenya Association of Tour Operators, Kenya Shipping Agents Association and Tea Traders Association.
- Tax risk and opportunity assessment for KPLC, Kengen, EABL, Unga Group, Mumias Sugar and Pan-paper.
- He has advised Kengen and KPLC on the tax implication of major projects such as Olkaria 1, Olkaria 2 and Olkaria 3.
- He has advised the Mitsubishi group on the tax implications on the Mombasa Diesel Power Project and Kipevu Diesel Plants.
- He has resolved customs disputes between KRA and Amiran and Kengen, Equally, he has tackled an excise dispute for CocaCola.
- He has resolved tax controversies between KRA and the Kenya Shipping Association that led to zero rating of supplies to shipping companies.
- He represented clients affected by customs related fraud, such clients included KPLC, Securicor Group and Unilever.
- He has conducted tax trainings for the staff of the ENC Investments, Kenya Ports Authority, EABL, the Kenya Spain's Economic and Commercial Office among others.
- He has advised major public sector clients such as Uganda Revenue Authority, Rwanda Revenue Authority and the Ministry of Finance of Rwanda on tax management systems and legislation.
- He has also worked as an author and reviewer for the International Bureau for Fiscal Documentation. He has served as a member of the Kenya Customs Valuations Appeal Tribunal.

Martin is the overall engagement partner for this assignment.



Samuel Njoroge
Partner – Taxwise Africa Consulting LLP

Education and Qualifications

Bachelor of Arts – University of Nairobi

Association of Chartered Certified Accountants (ACCA) – Strathmore University

Advanced Diploma in Taxation (ADIT) from the Chartered Institute of Taxation covering;

- Principles of International Taxation;
- Advanced International Taxation in Transfer Pricing; and
- Advanced International Taxation in Upstream Oil and Gas.

- January 2022- Present : Founder and Managing Partner, EasyTax
- January 2017 - Present : Founder and Managing Partner, Sterling Africa Consulting LLP
- January 2020 - Present : Partner, Taxwise Africa Consulting LLP
- January 2018 – December 2019 : Director, Taxwise Africa Consulting LLP
- January 2015 – December 2017 : Manager, Taxwise Africa Consulting LLP
- January 2014 – December 2014 : Consultant, Taxwise Africa Consulting LLP
- January 2013 – December 2013 : Senior Tax Analyst, Taxwise Consulting Limited
- January 2012 – December 2012 : Tax Analyst, PKF Taxation Services

Professional and Industry Experience

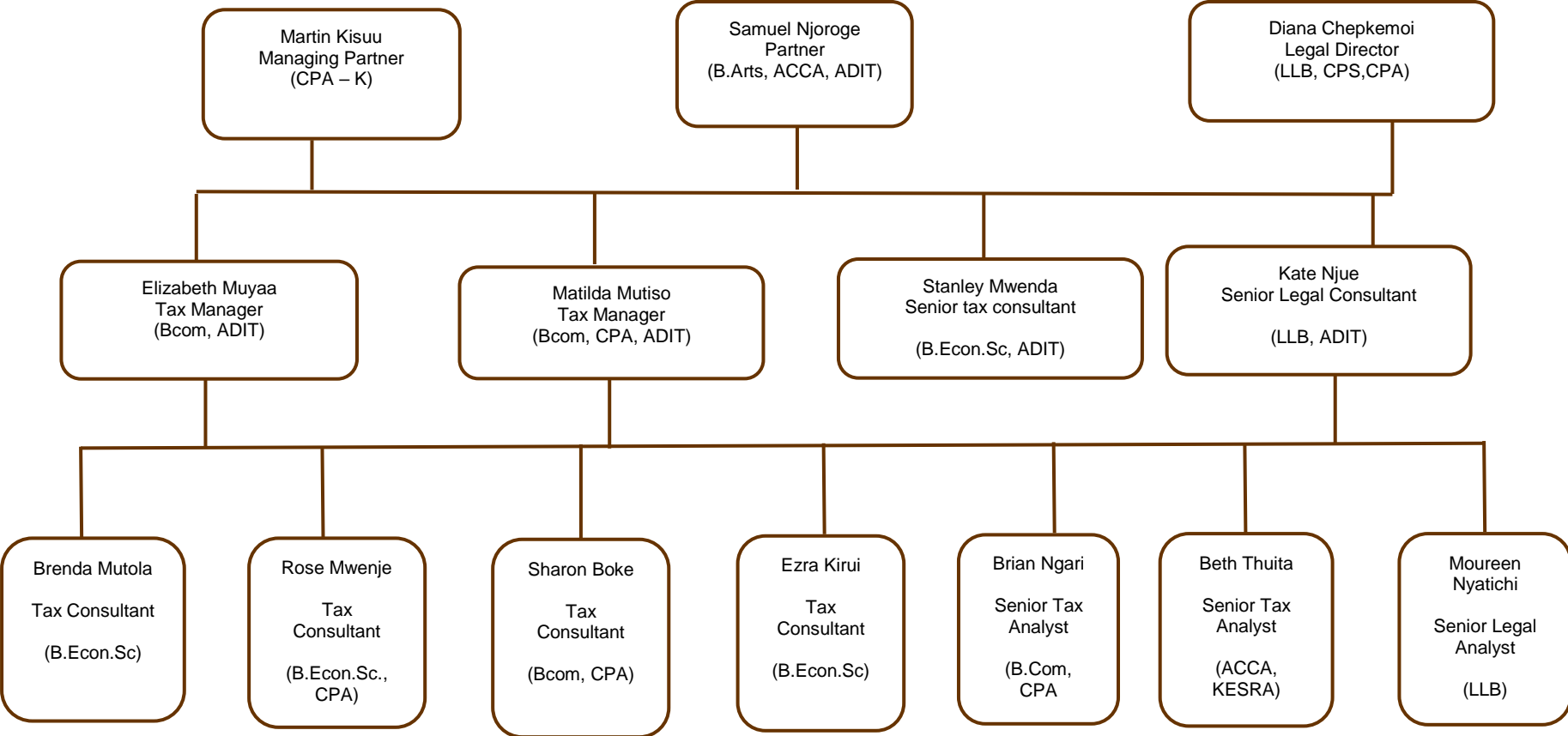
Areas of experience: Transfer Pricing, International Tax, Tax structuring, Corporation Tax, Employment Income/Personal taxation, Withholding tax, Value Added Tax and Customs & Excise duties. Samuel has experience in carrying out engagements involving: transfer pricing documentation, implementation and audit defence, tax structuring, tax risk and opportunities assessments (tax compliance review), due diligence, tax computations and compliance, tax authorities audit assistance involving in-depth examinations of tax assessments and raising objections, tax trainings, VAT refund assignments and applications for waivers for penalties and interests. He has experience in providing Tax Services in Kenya, Uganda, Mauritius, Tanzania, and Rwanda.

Notable achievements include;

- ✓ Acted on behalf of major shipping company in Kenya in a KRA audit that led to vacating of a demand of USD 8M;
- ✓ Acted for a tea agent by developing a Comparable Uncontrolled Price (CUP) assessment for a client acting as a buying agent for its parent company as well as being distributor on own account that helped in vacating of a USD 10M KRA transfer pricing audit;
- ✓ Structured operations for various foreign investments in Kenya and currently advising on the structuring of three power lines and solar power projects in Kenya;
- ✓ Acted on behalf of Spanish power sub-contractors in unlocking VAT exemptions;
- ✓ Undertaken tax training for the Economic Commercial Office of The Spanish Embassy and the German Business Association Kenya;
- ✓ Acted on behalf of manufacturers of sanitary pads in Kenya that led to exemption of import VAT on raw materials for manufacture of sanitary pads;
- ✓ Transfer pricing documentations across the East African region i.e., Kenya, Uganda, Tanzania, and Rwanda; and
- ✓ Tax structuring for a local bank shares sale and investment in a fibre optic cable that significantly minimized the tax costs.

The various clients he has provided tax advisory include Makiber Kenya Limited, HOMT, TNH, Maersk Kenya Limited & Maersk Line, Damco Kenya Limited, APM Terminals Kenya, Alpha Group, Tatu City Limited, Seven Seas Technologies Group, Brink's Global Services, The East African Marine System, Inchcape Shipping Services Limited, East Africa Breweries Limited International (EABLI), Gapco Kenya Limited, Gateway Communications Limited, Panafrican Equipment Kenya Limited, Centum Investments Kenya Limited, Real People Kenya, African Provident Kenya Limited, Transpares Limited, Garissa Holdings, Transtrailers Limited, Basco Products Kenya and Uganda Limited, Flowerwings Kenya Limited, Freight Forwarders Limited, Style Industries Limited (Kenya, Uganda and Tanzania), Inchcape Shipping Services Limited, Nile Energy Uganda Limited, Sollatek Electronics Limited, VFS Kenya and Uganda Limited, Global Tea and Commodities Limited among others. He is a regular author for Taxwise Consulting tax alerts and has authored for Bloomberg and Tax Analysts.

3. Taxwise Africa – Legal and technical team



4. Contacts

The contact details for the engagement team are as follows;

Name	Email	Telephone
Samuel Njoroge	snjoroge@taxwiseconsulting.com	0714073233

5. Conclusion

We believe we are the right firm to partner with you on this important engagement. We take a collaborative approach and will collaborate closely with your personnel to ensure that we deliver quality deliverables in a timely manner.

We look forward to hearing from you for further discussions.