



Strategic Market Entry & Advisory Support 2024

KENYA



Kenya Overview

Business leaders considering market entry into Kenya require a clear perspective on the operational, regulatory and employment requirements for a successful takeoff. Here's what you need to know...



CAPITAL

Nairobi



AREA

582,646 km²



PRESIDENT

William Samoei Ruto



LANGUAGES

Kiswahili, English



TYPE OF GOVERNMENT

Unitary republic with multi-party democracy



LIFE EXPECTANCY

62.08 years



CURRENCY

Kenyan Shilling (KES)



POPULATION

53.01 million



CALLING CODE

+254



TIMEZONE

GMT + 3

INVESTMENT OPPORTUNITY

Kenya is the 4th largest economy in Sub-Saharan Africa, and the World Economic Forum's country competitiveness report ranks it number one (1) in Africa in quality of human capital and availability of research and innovation. The country also has one of the highest rates of internet access in the continent, with 72% of its population having internet access.

ECONOMIC DRIVERS

In 2021, services contributed about 54.41% to the country's GDP, followed by agriculture at 22.43% and industry at approximately 16.99%.

Sources:

1. Demographic yearbook by the UN Statistics Division.
2. Kenya High Commission United Kingdom: Why Invest in Kenya The Land of Unlimited Possibilities

Let Adili guide your market entry journey

Adili is Africa's leading corporate advisory with over 150 years experience in supporting businesses at every stage of their journey.

We possess the knowledge, agility, efficiency, pan-African experience and diligence needed to create bespoke solutions for our clients to navigate today's corporate challenges, and ensure that their businesses thrive. Our work ensures that our clients, who range from start-ups and SMEs to multinationals and public-listed companies focus more on their core business and reputation.



What we offer

Company set-up support

Forms of incorporation

The Companies Act of 2015 acknowledges several types of companies, which include:

- ▶ Companies limited by shares (either private or public)
- ▶ Companies limited by guarantee
- ▶ Unlimited companies
- ▶ Foreign companies

Foreign investors commonly establish a presence in Kenya through two methods: registering a branch of a foreign company (Foreign Company) or incorporating a local company. The latter option is more prevalent due to the advantages of separating the subsidiary from the parent company and the familiarity of regulators with this setup. Licensing procedures for subsidiaries are often easier compared to branches.

Incorporation of subsidiary companies (Limited Liability Companies)

Our support includes undertaking name reservation, preparing the required documents, executing incorporation papers and submitting applications to the Registrar of Companies.

Registration of branches

Our support includes advising on requirements, preparing the required documents, arranging for execution, filing and obtaining registration.

Beneficial ownership disclosures

Every company must identify and maintain a register of its ultimate beneficial owners, and submit their details to the Registrar of Companies. Adili is at hand to offer support in complying with regulations around business ownership disclosures.



Registration with the Kenya Investment Authority

This is a government agency that is mandated to promote and facilitate investment in Kenya by both domestic and international investors. During this process, one is expected to submit a request letter introducing the investor and the company to be issued with a PIN, a letter from the investor appointing the tax agent and an acceptance letter from the tax agent to the investor consenting to the appointment. It is also at this stage that the company presents bank statement(s) of the company/ shareholder(s) of the Kenyan entity with at least a balance of USD 100,000.00 or its equivalent in another currency and a project proposal of USD 100,000.00 of investment, or its equivalent in another currency.

Company tax registration

This process involves the registration of non-resident director(s) on iTax. The requirements of this process are a notarized copy of the director's passport, the postal and physical address, their telephone and email address and a coloured passport-size photograph.

Application for Value-Added Tax (VAT) Certificates

We offer support in applying for VAT registration numbers and acquiring

Value Added Tax (VAT) certificates. We also facilitate the purchasing and registering of electronic tax devices.

Registration with the National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and National Industrial Training Authority (NITA)

Our solutions include facilitating the registration process, following up on the applications, and ensuring that the registration certificates are issued. Additionally, we also help companies register their employees with the NSSF and NHIF subject to different agreements.

Set up of statutory records

We offer support in the preparation and issuance of share certificates; preparation of the first minutes and inaugural resolutions; establishment of member registers, registers of directors and registers of secretaries, and purchase of company seals and stamps.

Assistance in opening company bank accounts

Our work includes preparing the necessary board resolutions and extracts for opening bank accounts, gathering supporting documents, and providing any required company secretary certifications requested by banks.

Regulatory compliance

Application for business licenses

It is mandatory by law to acquire business licenses before commencing any business activities. Our team is available to offer support throughout the business license acquisition process, which involves:

- ▶ Collating the required company documents and making business license applications.
- ▶ Facilitating the assessment and payment of the license fees.
- ▶ Following up and collecting licenses.

Outsourcing Solutions

Accounting and bookkeeping

We offer efficient, scalable, and cost-effective accounting and bookkeeping services, designed to seamlessly plug into your business systems. We take care of your accounting needs using reliable accounting systems and reporting tools.

Our package comprises a dedicated team of professionals to provide end-to-end accounting solutions that match your needs. Our accounting and bookkeeping solutions cover the following:

- ▶ Assistance in opening company bank accounts
- ▶ Setting up accounting systems, including uploading data and documents that have been reviewed for compliance with accounting standards and government regulations.
- ▶ Supporting all business transactions, including reconciling all involved processes before final payment authorization.
- ▶ Managing, reporting, and journaling monthly and annual accounts.
- ▶ Preparing accounting files for auditing and responding to audit queries.
- ▶ Preparing monthly management accounts and annual financial statements.

Tax Compliance

As tax laws become increasingly complex, businesses are required to respond appropriately through models and processes that ensure compliance with legal requirements. At Adili, we help our clients understand their tax obligations whilst ensuring compliance to reduce tax risks, continuously adapt to regulatory changes, and optimise cash flow.

Our tax compliance solutions cover the following:

- ▶ Registering with the relevant authorities
- ▶ Advising on corporate income tax, preparing deferred tax computation, and making submissions to relevant authorities.
- ▶ Reviewing and reconciling corporate tax liability.
- ▶ Reviewing, computing, and making payments for withholding tax.
- ▶ Assessing the compliance, computing, making payments and filing of the Value Added Tax (VAT).
- ▶ Preparing and filing corporate income tax returns on iTax.
- ▶ Preparing and filing individual income tax returns on iTax.
- ▶ Providing relevant updates with regard to changes in tax legislation.

Payroll

End-to-end payroll solutions, supported by top-of-the-line technologies, are key to efficiency and compliance in any organisation. We strive to ensure the smooth administration of your business' payroll while maintaining the strictest levels of confidentiality and data compliance.

- ▶ Registering the employer with various statutory authorities, including the National Social Security Fund, National Hospital Insurance Fund, and the National Industrial Training Authority.
 - ▶ Registering employees with various statutory authorities, a one-off exercise for each employee in the event they are not already registered.
 - ▶ Setting up your payroll details on our system.
 - ▶ Providing ad-hoc payroll consulting advice.
 - ▶ Preparing the payroll on a monthly basis and providing the relevant reports.
 - ▶ Making remittance of the employees' salaries via EFT, once adequate funds are received in our Adili Outsourcing Services client account.
- ▶ Preparing pay slips and distributing them in the manner agreed with yourselves.
 - ▶ Preparing the monthly returns for Pay As You Earn (PAYE), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and National Industrial Training Authority (NITA) and remitting any amounts due to the relevant authorities.
 - ▶ Ensuring any undertaking given by yourselves to any staff lender is complied with.
 - ▶ Maintaining all the staff salary and related control accounts once we have access to your accounting system.
 - ▶ Ensuring compliance with the local statutory and tax requirements.
 - ▶ Preparing and submitting all payroll-related monthly, quarterly, and annual returns to the relevant authorities.

Immigration

We provide professional immigration services based on the latest related country's immigration laws, professional advice and guidance on the requirements and procedures.



Team

Conrad Nyukuri

Conrad is the Managing Partner at Adili Corporate Services, overseeing the firm's operations in Kenya, Uganda, Tanzania, and Rwanda. He is a certified secretary and an accredited governance auditor with close to thirty years of experience serving multinationals, publicly listed and private companies, and small and medium-sized enterprises across Africa. He has a demonstrable track record in statutory and regulatory compliance, corporate governance, strategic planning, and corporate structuring.

His role includes liaising with local and international investors to provide advisory services on corporate governance, business setup and restructuring and compliance.

Conrad is highly sought-after to support the convening of corporate board and annual general meetings, filing statutory returns and registration of companies.



Angela Namwakira

Angela is a Partner at Adili Corporate Services Kenya LLP, where she offers corporate governance and professional legal services. She is an advocate of the High Court of Kenya, a certified secretary and an accredited governance auditor with over fifteen years of experience. Angela manages a diverse portfolio of clients spanning multiple sectors, including reputable multinational companies, local public listed and private companies, and small and medium-sized enterprises.

She has a strong track record in statutory and regulatory compliance, corporate governance, strategic planning, corporate structuring. Her vast experience spans the registration of companies and other entities, taxpayer and other statutory registrations, labour-related issues, tax compliance, legal document preparation, and the planning and administration of board and annual general meetings.

Phoebe Macharia

Phoebe is a Partner at Adili Corporate Services Kenya LLP with over fourteen years' experience in company secretarial work. She has diverse experience in supporting multi-sectoral boards in corporate governance, compliance and related matters and implementing board and annual general meetings.

Phoebe has worked for private, public and foreign branches of companies registered in Kenya and operating in

countries such as the DRC, Rwanda, South Sudan, Tanzania and Uganda. In this role, she offers advice on company share restructure, including alterations to share capital, conversions, debt capitalisation, preference shares, registration and de-registration of companies, conversion of private to public companies and vice versa, taxpayer registration and immigration matters.



Planning your market entry strategy?

Talk to our experts

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