

Kenya

Summary of CbC Reporting and Transfer Pricing Documentation Rules

Country-by-Country Report

- Effective Date: From financial year 2022.
- Filing Threshold: Kenyan MNEs with gross turnover equal to or exceeding KSh 95 billion.
- Local Filing: A Kenyan constituent entity may be required to file the CbC report if certain conditions exist.
- Forms/Filing Information:
 - CbC Notification: Made to the Commissioner in such form as specified by the Commissioner.
 - CbC Report: Standard template to be provided.
- Deadline for Filing Notification of Reporting Entity: By the last day of the reporting financial year.
- Deadline for Filing CbC Report: Within 12 months of the last day of the reporting financial year.
- Penalties: Penalties for non-compliance may apply.
- Exchange of Information:
 - MCAA CbC: signed.

Master File

- Effective Date: From financial year 2022.
- Information Reported: Generally in line with OECD guidance.
- Deadline for Submission: Within 6 months after the last day of the reporting financial year of the group.
- Penalties: Penalties for non-compliance may apply.

Local File

- Effective Date: From financial year 2022.
- Information Reported: Generally in line with OECD guidance.
- Deadline for Submission: Within 6 months after the last day of the reporting financial year of the group.
- Penalties: Penalties for non-compliance may apply.

Transfer Pricing Documentation

The transfer pricing rules require a taxpayer involved in related-party transactions to develop an appropriate transfer pricing policy and to provide transfer pricing documentation, upon request of the tax authority, to support its transfer pricing. The documentation shall include documents relating to (i) the selection of the transfer pricing method and the reasons for the selection; (ii) the application of the method, including the calculations made and price adjustment factors considered; (iii) the global organization structure of the enterprise; (iv) details of the transaction under consideration; (v) the assumptions, strategies, and policies applied in selecting the method; and (vi) other background information regarding the transaction. The documentation should be prepared in the English language.

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There is no specific transfer pricing documentation penalty; however, a general tax penalty may apply for failure to maintain documentation required under the tax laws.

Transfer Pricing Disclosure

Taxpayers must disclose details of related party transactions in the annual tax return, including the related party, the transaction value, and a description of the transaction.