

UNITED NATIONS MEETING

KENYA PRESENTATION

7TH APRIL 2017

General Observations on MNES

- Consistent business and Tax losses
- Sustained CAPEX expansion & Capital deductions claims without strategy to recoup
- Consistent refund claims (VAT & IT)
- MNEs with offshore entities in low tax jurisdictions
- Extractive sector – low tax yields from the sector

Challenges

- Effective Transfer pricing (TP) Legislation
- Availability of information
- Lack of comparable data
- Lack of technical capacity to deal with TP – Knowledge and numbers
- Availability of resources for testing benchmarking
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Solutions to the challenges

- Strengthen TP legislation including rules – UN guidelines on TP
- Proper risk identification and analysis
- Exchange of information for tax purposes
- Benchmarking data tools, local and int.
- Capacity building through training and workshops – UN workshops
- Invest in benchmarking tools

END