# DOING BUSINESS

IN KENYA

The network for doing business

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# 1 – INTRODUCTION

UHY is an international organisation providing accountancy, business management and consultancy services through financial business centres in around 90 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering business operations in Kenya has been provided by the office of UHY representatives:

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A detailed firm profile for UHY's representation in Kenya can be found in section 8.

Information in the following pages has been updated so that they are effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current at August 2015.

We look forward to helping you do business in Kenya.

# 2 – BUSINESS ENVIRONMENT

## POLITICAL AND LEGAL SYSTEM

Kenya enacted a new constitution on 27 August 2010, replacing the previous one drawn up at Kenya's independence in 1963.

The new constitution includes a greater separation of powers between the legislature, judiciary and the executive. In addition, the constitution:

- Introduces checks and balances on the executive
- Devolves power on local matters to 47 counties
- Creates a new senate to act as an upper house in parliament
- Lays down minimum quotas for women
- Sets up a new judiciary and screening system for the recruitment of judges and an expansive bill of rights.

There are three arms of government:

- The legislature – this includes the National Assembly and the Senate. The National Assembly controls national expenditure and revenue allocation between the two levels of government. The Senate represents the 47 counties and serves their interests and those of the county governments by debating and approving bills concerning the counties
- The executive – this consists of the president, who is elected directly by all registered voters for a five-year term and can serve for a maximum of two terms, deputy president and the Cabinet. The president is the head of state and government, the commander in chief of the armed forces and chairs the National Security council
- The judiciary – this consists of courts and tribunals with the Supreme court at its apex presided by the chief justice who is appointed by the president on the recommendation of the Judicial Service Commission.

The constitution provides for the devolved governments. These are the governments of the 47 counties, which consist of a county assembly, a county executive and a directly elected governor. County governments oversee a range of issues at the local level such as agriculture, health services, public amenities, county trade regulations and development, and county planning and development, among other services they are mandated to provide to local residents.

After having a coalition government for the past five years, Kenya held general elections under the new constitution in March 2013.

## DOMESTIC MARKET

### PEOPLE

Kenya has a population of 40.5 million (2010 estimate) with approximately 8 million people living in urban areas. The population growth rate was 2.7% per year in 2010-2014, according to World Bank.

Swahili is the national language, while English and Swahili are both official languages.

### COUNTRY

Kenya occupies an area of 582,646 square kilometres (225,000 square miles) with a population density of 69.5 people per square kilometre.

The capital city is Nairobi.

The currency is the Kenya shilling (KES) which is equal to 100 cents.

## THE ECONOMY

### Agriculture is the dominant sector of the economy.

Horticulture, agro processing, fishing and livestock hold substantial potential for further development, while natural attractions such as mountains, lakes, rivers and game parks, combined with a climate that ranges from tropical to the temperate, offer tremendous opportunities for tourism.

Kenya has a diversified economy and a long history of private sector development ensuring a wealth of investment opportunities.

At the heart of the 'Vision 2030' plan is the government's desire to significantly improve the country's infrastructure, including road and rail links. This has begun with major infrastructure upgrading such as the commissioning by the head of state of the eight-lane Thika superhighway and the launch of the first phase of the modern commuter train service in 2012. Private sector investment is sought to develop a new transport corridor to South Sudan, expand the Jomo Kenyatta International Airport and enlarge ports such as Mombasa. A multibillion dollar mega port project in Lamu has also been unveiled (as part of the South Sudan gateway project) and work began in 2012 at Lamu's Manda bay.

Kenya's telecommunications infrastructure has seen rapid growth. The country is now connected to three undersea fibre-optic cables ensuring broadband access to the main urban areas. One of Kenya's information and communications technology (ICT) flagship projects will be the creation of an ICT technology park (Konza Technology City).

Kenya has been an active member of the East Africa Common (EAC) Market where all goods manufactured by an EAC member country and sold in another are treated as if they were manufactured locally, by virtue of there being no internal tariffs between EAC members. The countries also levy a common external tariff for goods entering the EAC. The EAC is now moving to tackle non-tariff barriers.

### ECONOMIC PERFORMANCE

Kenya's economy is estimated to have grown by 5% 2013, 5.4% in 2014 and is projected to grow by 6% in 2015, driven primarily by the following sectors:

- Construction – reflecting the significant activity in infrastructure development
- Financial intermediation
- Tourism
- Transport and services – reflecting Kenya's central position as part of a more integrated EAC.

The resilience is likely to continue with the economy expanding at 6.6% in 2016 and 6.5% in 2017, according to the latest World Bank Group's economic analysis

Financial Services sector is expected to grow from about 6.5 per cent in 2013 to about 10 per cent by 2017. The sector will benefit from sustained growth in tourism, ICT, and related businesses such as Business Process Outsourcing (BPOs), and expansion of regional trade and transport services. In addition, the financial sector is expected to expand rapidly as business confidence improves and as new strategies to boost savings are implemented. The establishment of the Financial Services Center during the plan period is expected to further improve the sector's growth, and to attract more local and international firms in the sector (according to Second Medium Term Plan, 2013-2017).

# OVERVIEW OF ECONOMIC PERFORMANCE

## GROSS DOMESTIC PRODUCT

The first quarter of 2015 experienced relative stability in key macroeconomic indicators. The Kenya Shilling strengthened significantly against all its major trading currencies but depreciated by 6.0 per cent against the US dollar. The current account worsened despite cheaper oil prices mainly due to a significant increase in the import bill against a contraction in export earnings.

Interest on commercial bank loans declined by 8.7 per cent to average at 15.52 per cent during the quarter under review compared to an average of 17.00 per cent during the first quarter of 2014. The Central Bank Rate (CBR) was maintained at 8.5 per cent throughout the quarter.

The country's economic performance improved to 4.9per cent during the first quarter of 2015 compared to a growth of 4.7 per cent realized in the same quarter of 2014. The growth was mainly supported by strong expansions of activities of Construction; Finance and Insurance; Information and Communication; Electricity and Water Supply; Wholesale and Retail Trade; and Transport and Storage. All the sectors of the economy recorded positive growths of varying magnitudes except the Hotels and Restaurant whose growth contracted. This was the fifth consecutive decline in growth which is mainly attributed to low hotel occupancy rates arising from insecurity concerns mainly by international visitors.

## INFLATION

Inflation (consumer prices) increased in 2011 to 14% but fell to 9% in December 2012. It is estimated to have decreased further in 2013 to 5.7% due to improved food production, stability in fuel prices and intervention by the Central Bank of Kenya and increased in to 6.8% in 2014 .

## THE SMALL & MICRO ENTERPRISES

The small and micro enterprises (SMEs) play an important role in the Kenyan Economy. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). According to Amyx (2005), one of the most significant challenges is the negative perception towards SMEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone. Despite all the above challenges the Small- and medium-sized enterprises (SMEs) have played a significant role in Kenya’s economy. The SME sector is estimated to employ close to 80% of Kenya’s total workforce and contribute 20% to GDP. However Measures to support Small and Medium-sized Enterprises, including increased funding to Uwezo (Sh850m), Youth (Sh300m) and Women’s (Sh500m) funds and support for Buy-Kenya-Build-Kenya approach to procurement by State bodies are in place.

## STOCK MARKET

The stock market in Kenya experienced some restructuring in 2011 with the Nairobi Stock Exchange transformed into the Nairobi Securities Exchange (NSE). This was done with the aim of introducing new financial instruments to the market, such as forwards and futures, adding to the equities and bonds. It is Africa’s fourth largest capital market, with 64 listed companies, and has operated an electronic trading system since 2006.

Trading performance on the stock market over the year 2011 was negatively affected by reduced interest on the part of foreign investors, the high inflation rate and currency devaluation. However the 2012 performance of the NSE was commendable. The NSE 20 Share Index ended 2012 at 4,133.02 points and has been on an upward trend since crossing the 4,000 mark on October 15 2012. For 2012, the NSE 20 Share Index was up 28.64%. As of February 22 2013, the NSE 20 Share Index stood at 4,477.89, reflecting an 8.34% gain for 2013. In the same period, the FTSE NSE 15 and FTSE NSE 25 indices risen from 8.91% and 9.11% to 141.36 and 144.51 points respectively.

Market capitalisation also risen from11.08% to Kshs.1.41 trillion ($16.11 billion). The FTSE NSE Kenyan Shilling Government Bond Index went up by 1.00%. The Bond Index which was launched on 3 October 2012, was up 25.00% for the 12 months to 31 December 2012. In July 2014 the Nairobi Securities Exchange (NSE) received formal approval from the Capital Markets Authority (CMA) to operate as a demutualized entity. This is after the approval of the NSE's final application which met the regulator's requirements as stipulated in Section 5(3) of the Capital Markets (Demutualization of the Nairobi Securities Exchange) Regulations 20120.

In October 2014 Nairobi Securities Exchange launched a new system for trading corporate bonds and Government of Kenya Treasury Bonds allowing on-line trading of debt securities and is integrated with the settlement system at the Central Bank of Kenya. The system is more efficient, scalable and flexible, and can support trading in bonds that have been issued in foreign currencies. In March 2015, the NSE officially joined the United Nations Sustainable Stock Exchanges (SSE) initiative whereby they made a voluntary pledge to inform their stakeholders of the importance of integrating sustainability in their capital markets

## LISTED COMPANIES IN NAIROBI SECURITIES EXCHANGE

Eaagads Ltd
Kakuzi Ltd
Kapchorua Tea Co. Ltd
The Limuru Tea Co. Ltd
Rea Vipingo Plantations Ltd
Sasini Ltd
Williamson Tea Kenya Ltd
Car & General (K) Ltd
Marshalls (E.A.) Ltd
Sameer Africa Ltd
Barclays Bank of Kenya Ltd
CFC Stanbic of Kenya Holdings Ltd
Diamond Trust Bank Kenya Ltd
Equity Bank Ltd
Housing Finance Co.Kenya Ltd
I&M Holdings Ltd
Kenya Commercial Bank Ltd
National Bank of Kenya Ltd
NIC Bank Ltd
Standard Chartered Bank Kenya Ltd
The Co-operative Bank of Kenya Ltd
Express Kenya Ltd
Hutchings Biemer Ltd
Kenya Airways Ltd
Longhorn Kenya Ltd
Nation Media Group Ltd
Scangroup Ltd
Standard Group Ltd
TPS Eastern Africa Ltd
Uchumi Supermarket Ltd
ARM Cement Ltd
Bamburi Cement Ltd
Crown Paints Kenya Ltd

E.A.Cables Ltd
E.A.Portland Cement Co. Ltd
KenGen Co. Ltd
KenolKobil Ltd
Kenya Power & Lighting Co Ltd
Kenya Power & Lighting Ltd 4% Pref 20.00
Kenya Power & Lighting Ltd 7% Pref 20.00
Total Kenya Ltd
Umeme Ltd
British-American Investments Co.(Kenya) Ltd
CIC Insurance Group Ltd
Jubilee Holdings Ltd
Kenya Re Insurance Corporation Ltd
Liberty Kenya Holdings Ltd
Pan Africa Insurance Holdings Ltd
Centum Investment Co Ltd
Olympia Capital Holdings Ltd
Trans-Century Ltd
Nairobi Securities Exchange Ltd Ord 4.00
A.Baumann & Co Ltd
B.O.C Kenya Ltd
British American Tobacco Kenya Ltd
Carbacid Investments Ltd
East African Breweries Ltd
Eveready East Africa Ltd
Kenya Orchards Ltd
Mumias Sugar Co. Ltd
Unga Group Ltd
Safaricom Ltd
Flame Tree Group Holdings Ltd Ord 0.825
Home Afrika Ltd

## NATURAL RESOURCES

Kenya's most valuable natural assets are rich agricultural land and a unique physiography and wildlife. The highly diversity of wildlife is a key draw for the tourism industry.

The country is not well-endowed with mineral resources. Mineral resources currently exploited are gold, limestone, soda ash, salt, rubies, fluorspar and garnets. At present, only 3% of the land is forested, a reduction by half over the past three decades. Kenya's water resources are similarly under pressure. Kenya relies to a significant extent on hydropower.

Environment law requires the National Environmental Management Authority (NEMA) to conduct annual environmental audits and to prepare and submit a State of Environment (SoE) report every year to parliament. The report documents environmental issues and potential interventions to be undertaken by various sectors towards enhancing the status and quality of the environment.

## UNEMPLOYMENT

The unemployment problem is global and presents a particularly difficult labor market experience for youth. In Africa especially, unemployment and underemployment continue to be major obstacles to the full utilization of human resources despite relatively strong growth in the region over the last decade.

Youth in Kenya are experiencing much higher unemployment rates than the rest of the Kenyan population, as seen in Table 1 below In 2005/06, youths aged 15-19 and 20-24 years had unemployment rates of 25 percent and 24 percent, respectively—about double the overall unemployment of 12.7 percent for the entire working-age group. Based on the 2009 census, the open unemployment rates declined for youth, but among youth aged 15-19 and 20-24 years these rates were about 15.8 percent and 13.1 percent, respectively—relative to a total unemployment rate of 8.6 percent. Interestingly, in recent years, the unemployment rates of females and males aged 15-19 and 20-24 years are quite comparable, though this trend is similar across all age groups in Kenya. For example, in 2009, male youth aged 20-24 years had an unemployment rate of 13.6 percent relative to the females' rate of 12.6 percent.

There is a substantial variation in unemployment rates in urban and rural regions. In 2005/06 as well as 2009, the respective urban total unemployment rates of 19.9 percent and 11.0 percent were about twice as large as the rural rates. Like the national trends, within these regions, youth unemployment was much larger than that of the working-age population. In urban areas in 2009, for instance, the overall unemployment rate was about 11.0 percent relative to a youth (20-24 years) unemployment rate of 19.1 percent.

**Table 1: Unemployment rates (%) in Kenya by Age Group and Sex, 1998/99–2009**

| Age brackets | 1998/99 | | | 2005/06 | | | 2009 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| **Total (rural + urban)** | | | | | | | | | |
| 15-19 | 24.3 | 21.8 | 26.4 | 25.0 | 22.4 | 27.7 | 15.8 | 16.5 | 15.1 |
| 20-24 | 27.1 | 19.0 | 33.9 | 24.2 | 21.0 | 27.3 | 13.1 | 13.6 | 12.6 |
| **15-64** | **14.6** | **9.8** | **19.3** | **12.7** | **11.2** | **14.3** | **8.6** | **8.8** | **8.3** |
| **Urban** | | | | | | | | | |
| 15-19 | 47.0 | 56.2 | 42.8 | 16.1 | 15.1 | 16.8 | 27.2 | 29.4 | 25.5 |
| 20-24 | 47.3 | 27.2 | 58.7 | 34.9 | 33.7 | 35.8 | 19.1 | 17.7 | 20.4 |
| 25-29 | 25.1 | 9.0 | 38.8 | 24.8 | 24.6 | 24.9 | 10.9 | 9.4 | 12.7 |
| 30-34 | 14.3 | 4.8 | 27.5 | 8.0 | 8.0 | 7.9 | 7.6 | 6.5 | 9.2 |
| **15-64** | **25.1** | **12.5** | **38.1** | **19.9** | **15.0** | **25.9** | **11.0** | - | - |
| **Rural** | | | | | | | | | |
| 15-19 | 15.9 | 14.3 | 17.8 | 21.3 | 22.2 | 20.5 | 13.0 | 13.8 | 12.0 |
| 20-24 | 15.1 | 15.5 | 14.5 | 30.7 | 29.3 | 32.0 | 9.9 | 11.4 | 8.5 |
| 25-29 | 8.6 | 7.6 | 9.5 | 17.8 | 17.1 | 18.5 | 6.9 | 8.0 | 5.8 |
| 30-34 | 8.2 | 4.8 | 10.9 | 8.6 | 8.1 | 9.1 | 5.6 | 6.3 | 4.9 |
| **15-64** | **9.4** | **8.3** | **10.4** | **9.8** | **9.5** | **10.2** | **5.6** | - | - |

*Sources: Central Bureau of Statistics – Kenya (2003), Kenya National Bureau of Statistics (2008) and computations from the 2009 Kenya Population and Housing Census data.*

The Youth Enterprise Development Fund, operational over the last five years as the main intervention agency, has disbursed some funds to youth enterprises, organised youth trade fairs, built an infrastructure to support young people and started pre-finance training. The fund will be expanded in the coming years to ensure increased employment for the young.

## CURRENCY AND RATES

Kenya's fiscal year runs from 1 July to 30 June.

| MONTH | EXCHANGE |
|---|---|
| June 2010 | 1USD = KES 81 |
| December 2010 | 1USD = KES 80 |
| June 2011 | 1USD = KES 89 |
| December 2011 | 1USD = KES 85 |
| June 2012 | 1USD = KES 84 |
| December 2012 | 1USD = KES 86 |
| June 2013 | 1USD= KES 85 |

| | |
|---|---|
| December 2013 | 1USD= KES 86 |
| June 2014 | 1USD= KES 87 |
| December 2014 | 1USD= KES 90 |
| June 2015 | 1USD= KES 98 |

TABLE 2
*Interest rates*

| INTEREST RATES | 2012 | 2013 | 2014 | 2015 (Jan-June) |
|---|---|---|---|---|
| Deposit Rate | 7.9% | 6.5% | 6.6% | 6.6% |
| Saving Rate | 1.6% | 1.6% | 1.5% | 1.7% |
| Lending Rate | 19.7% | 17.3% | 16.5% | 15.5% |

## FOREIGN TRADE AND BALANCE OF PAYMENTS

Kenya has enjoyed steady export growth in the last six years. However this was punctuated by a fall across all export products in 2009 attributable to the global economic downturn.

The value of total exports grew by 21.6% in 2011 to USD 4.8 billion and declined by 19.8%,17.9% and 16.4% in 2012, 2013 and 2014 respectively , with the leading exports being tea, horticulture, coffee, tobacco and tobacco products.

The value of imports grew by 38.8% in 2011 to USD 11.3 billion and declined by 35.4% and 33.4% in 2012 and 2013 respectively. The value of imports however increased by 33.9% in 2014. Imports mainly comprised petroleum, industrial machinery and road motor vehicles.

According to the Kenya National Bureau of Statistics 2014 report, Kenya's volume of trade fell by 2.2 percent in 2013. While Kenya's domestic exports fell by 3.0 percent, imports grew by 2.8 percent mainly due to purchases of petroleum products, capital goods, food products and chemical fertilizers, which accounted for 58.4 percent of the total import bill. Kenya's current account deficit grew from USD 4.31 billion in 2012 to nearly USD 4.495 billion in 2013.

# 3 – FOREIGN INVESTMENT

Kenya is one of the economic leaders in sub-Saharan Africa. Like many African countries, it is dependent on Foreign Direct Investment (FDI) for capital and employment.

Remittances are Kenya's single largest source of foreign exchange. According to the Central Bank of Kenya, the 12 month cumulative inflows to June 2015 increased by 10 per cent to USD 1,492 million from USD 1,357 million in the year to June 2014. The 12 month average flow also sustained an upward trend to USD 124.3 million from USD 113.1 million during the same period.

Kenya also serves as the East African business hub for many international companies. General Motors, Proctor & Gamble, Microsoft, Ogilvy and Mather, Coca-Cola and Citibank are a few examples of international companies with a presence in Kenya. A third of Kenyan banks are foreign owned, controlling 51% of total banking assets in the country. Safaricom for example, is 40 percent owned by Vodafone of the U.K. and Airtel Kenya is 60 percent owned by Airtel of Netherlands.

Kenya is a prime choice for foreign investors seeking to establish a presence in Eastern and Southern Africa. According to Snapshot Africa, a World Bank study benchmarking FDI competitiveness:
*[Kenya] is reported by foreign investors to have a well-developed port system with cold storage facilities and computerized port procedures, and a motivated work force. It is also a member of the East African Community (EAC) of 93 million people, where trade is envisaged to flow freely across Uganda, Tanzania and Kenya by 2013. Add to this Kenya's membership in the Common Market for Eastern and Southern Africa (COMESA), with nearly 385 million people, and it is easy to see why a number of international companies have chosen the country as a regional business hub."*

Kenya is a desirable investment destination due to a number of key strengths:

- Excellent connectivity to major world-wide hubs that make it easy to work with most continents. Nairobi is the transportation hub of Eastern and Central Africa and the Port of Mombasa supplies the shipping needs of more than a dozen countries
- An educated and skilled workforce has made the country the manufacturing, commercial and financial hub in Eastern and Central Africa
- A liberalized economy without exchange or price controls, and no restrictions on domestic and foreign borrowing by residents and non-residents
- The Nairobi Stock Exchange is the leading stock market in the Eastern and Central African region
- A strong infrastructure, in fact Africa Investor voted Kenya as the region's best infrastructure regulator
- Membership to regional trading blocs, COMESA and (EAC). A preferential trading country under the U.S. legislation, African Growth and Opportunity Act (AGOA), the ACP-EU Cooperation and various other bilateral cooperation agreements
- Potential for exploration of mineral resources. Kenya is a potential source of valuable materials such as titanium and there is current exploration of oil off the Indian Ocean Coast and other parts of the country.

### GOOD REASONS TO INVEST IN KENYA

Kenya has a number of tax treaties and investment promotion and protection Agreements to encourage foreign direct investment. Exporters from Kenya enjoy preferential access to world markets under a number of special access and duty reduction programs.

Exports from Kenya entering the European Union are entitled to duty reductions and freedom from all quota restrictions. Trade preferences include duty-free entry of all industrial products as well as a wide range of agricultural products including beef, fish, dairy, cereals, fresh and processed fruits and vegetables.

Kenya qualifies for duty free access to the United States market under the African Growth and Opportunity Act. Kenya's major products that qualify for export include textiles, apparels and handicrafts. Under the Generalized System of Preferences, a wide range of Kenya's manufactured products are entitled to preferential duty treatment in the United States, Japan, Canada, New Zealand, Australia, Switzerland, Norway, Sweden, Finland, Austria, and other European countries. In addition, no quantitative restrictions are applicable to Kenyan exports on any of the 3,000-plus items currently eligible for GSP treatment.

Kenya is a signatory to and member of the Multilateral Investment Guarantee Agency (MIGA), an affiliate of the World Bank, which guarantees investors against loss of Investment to political problems in host countries. Additionally, Kenya is signatory to International Centre for Settlement of Investment Disputes, which is a channel for settling disputes between foreign investors and host governments
Kenya has signed bilateral trade agreements with more than 20 countries around the world, including Argentina, China, Egypt, India, the Netherlands, Poland, Thailand, Tanzania, South Korea and Pakistan. Kenya is currently negotiating agreements with nine additional countries including Belarus, the Czech Republic, Mozambique and South Africa.

| FOREIGN DIRECT INVESTMENT | 2012 | 2013 | 2014 |
|---|---|---|---|
| FDI Inward Flow (million USD) | 259 | 505 | 989 |
| FDI Stock (million USD) | 2,876 | 3,381 | 4,370 |
| Number of Greenfield Investments*** | 56 | 73 | 62 |
| FDI Inwards (in % of GFCF****) | 2.4 | 4.5 | 7.2 |
| FDI Stock (in % of GDP) | 5.7 | 6.1 | 7.2 |

*Source: UNCTAD - Last Available Data.*

Besides Kenya being a hub for investments there factors that may discourage investment in the country. These include: corruption, slow judicial system, high unemployment and poverty, uncertainty over land ownership, recent security issues related to terrorism and crime, interethnic tensions, costly skilled labor, high cost of energy, poor infrastructure and administrative difficulties in obtaining work permits, However the Government of Kenya is working hard to eradicate them.

To reduce bureaucracy in relation to licensing requirements, immigration and negotiating tax incentives and exemptions, companies are advised to register potential investments with the Kenya Investment Authority.

For more information and to find the relevant registration/application forms, go to:

Kenya Investment Authority www.investmentkenya.com

Other useful websites for foreign companies interested in investing in Kenya are:

Central Bank of Kenya www.centralbank.go.ke
Kenya Revenue Authority www.kra.go.ke
Nairobi Stock Exchange www.nse.co.ke

# 4 – SETTING UP A BUSINESS

An investor in Kenya has various options to choose from for the form his/her business enterprise will assume.

The main types of company are set out below.

## LIMITED LIABILITY COMPANY

A limited liability company is a company whose registered capital is divided into a certain number of shares of a specific nominal value.

A company's authorised capital is made up by par values of its members' equity stakes.

If the company is incorporated by more than one person (individuals or legal entities), the authorised capital is divided into equity stakes of a certain size. A company's authorised capital determines a minimum size of company property, which guarantees the interests of its creditors.

Members of limited liability companies are not liable for its obligations beyond the size of their capital contribution and any unpaid amounts on issued capital.

A limited liability company is the legal form preferred by state authorities for joint ventures. It is also the form into which former state enterprises undergoing privatisation, have been converted. A joint-stock company can be established by one or more entities, including a state or business entity.

The registered capital of the company must be subscribed by the shareholder(s) and at least 30% of monetary contributions and all in-kind contributions must be paid up before the company is registered by the Registrar of companies.

Any company profit gained as a result of its business activity should be distributed among members in the proportion to their equity stakes in the authorised capital. The distributable profit is subject to withholding tax.

A limited liability company may either be a private or a public company.

## PUBLIC LIMITED COMPANY

This is formed by a minimum of 51 members and has the power to invite public subscription for its shares.

Subscription of shares must be made upon incorporation of the company. To this end, a general meeting must be held by the subscribers on the establishment of the company, unless the founder(s) agree in the memorandum of association to pay the total registered capital of the company themselves to a certain ratio.

If the shares of the company are subscribed through a public offering of shares, then a prospectus (in accordance with the Companies Act) must be approved by the Capital Market Authority prior to publication of the announcement on the public offering. This must be published concurrently with the public offering. Where the company is listed in the securities exchange (Nairobi Securities Exchange), the approval of the securities exchange is also needed.

The payment of dividends or profit shares is not restricted, provided the company has sufficient distributable profits.

## PRIVATE LIMITED COMPANY

In contrast to a public company, a private company must have a minimum of two shareholders but should not exceed 50 shareholders.

A new bill was assented by the President in September 2015 that allows for companies to have one shareholder; however this has not been published at the date of this report.

Furthermore, it cannot invite public subscriptions for its shares; the transfer of shares is restricted in that the consent of other shareholders is required before the transfer of private subscriptions is allowable.

## GENERAL PARTNERSHIP

A general partnership is a commercial company, the members of which, in accordance with the agreement concluded between them, carry on the business on behalf of the partnership and are liable for its obligations with their property.

The partners of a general partnership are called members and conclude transactions on behalf of the partnership and carry on its business.

A general partnership is incorporated and operates under the partnership deed, which establishes the size and composition of the capital and size of the members' contributions.

Any profits and losses of a general partnership are divided amongst its members in proportion to their capital contribution as stipulated by the deed.

## FUNDS

A fund is a not-for-profit organisation without membership.

It is founded by citizens and/ or legal entities on a voluntary basis by the contribution of money or properties. The aim is to pursue social, charitable, cultural and educational goals, or other such purposes.

The founders or trustees are not liable for the obligations of the fund. The income derived from any economic activities carried out by the fund and contributions received can only be used for the purposes set out in the articles of the association.

### ASSOCIATIONS AND UNIONS

Associations and unions are not-for-profit organisations set up to co-ordinate the activities of members and to represent and defend their common rights and interests.

They are separate legal entities independent of the members composing them. They have limited liability status.

The constitutions of the individual associations spell out the obligations of members, which may be in terms of the contributions required from the members.

Associations and unions must be registered with the Registrar of societies, whereupon they acquire a legal status. Their legal status ceases upon being struck off this register.

### STARTING A BUSINESS

Underlying the indicators below show a set of specific procedures—the bureaucratic and legal steps that an entrepreneur must complete to incorporate and register a new firm. These are identified by *Doing Business* through collaboration with relevant local professionals and the study of laws, regulations and publicly available information on business entry in that economy. Following is a detailed summary of those procedures, along with the associated time and cost. These procedures are those that apply to a company matching the standard assumptions (the “standardized company”) used by *Doing Business* in collecting the data (see the section in this chapter on what the indicators measure).

TABLE 4

*Summary of time, cost and procedures for starting a business in Kenya*

| NUMBER | PROCEDURE | TIME TO COMPLETE | COST TO COMPLETE |
|---|---|---|---|
| 1. | **Reserve a unique company name at the Companies Registry**<br>The company name reservation lasts 30 days but can be renewed for a similar period.<br>*Agency: Companies Registry* | 1 day on average | KES 100 per name reservation |
| 2. | **Stamp the memorandum and articles of association, and a statement of the nominal capital**<br>As of January 2005, the Kenya Revenue Authority (KRA) took over the stamp duty collection from the Ministry of Lands and Housing. As an administrative requirement, the KRA now requires the personal identification numbers (PINs) of all parties on whose behalf duty-stamped documents are submitted. Documents are first assessed by the Stamp Duty Office before payment can be made at the KRA-designated banks. The process has initially lengthened to about 2 weeks because the Stamp Duty Office waited to receive confirmation of bank payment after clearance of funds. However, the time was reduced to 5-10 days in 2008 as a result of better communication between the Ministry of Lands and Housing and the Kenya Revenue Authority (KRA). A fee of KES 100 is payable as Bank handling charges. Under the Stamp Duty Act (Cap. 480), the stamp duty on the nominal capital of the company is KES 20 for every KES 2,000 or part thereof. The stamp duty on the memorandum and articles of association is | 5 Days | 1% of nominal capital (KES 20 for every KES 2,000 or part thereof of capital) + KES 2,000 for stamp duty on Memorandum and Articles of Association |
| 3. | **Pay stamp duty at a designated bank**<br>The entrepreneur pays the stamp duty at the National Bank of Kenya which is the designated Bank for the collection of stamp duty revenue on behalf of Kenya Revenue Authority.<br>*Agency: Bank* | 1Day | KES 100 for bank commission |
| 4. | **Sign the Declaration of Compliance before a commissioner of oaths or a notary public**<br>According to the Companies Act (Cap. 486), an advocate engaged in the formation of the company or a director or company secretary named in the articles of association must sign the declaration of compliance (Form 208). This form is submitted to the Registrar of Companies along with the registration documents.<br>*Agency: Commissioner of Oaths /notary public* | 1Day | KES 200 |
| 5. | **Register with the Registrar of Companies at the Attorney General Chambers in Nairobi**<br>The entrepreneur must submit the incorporation deed and the following to the Registrar of Companies: | 12 days on average | KES 7,360 |

| | | | |
|---|---|---|---|
| | • Stamped memorandum and articles of association<br>• Statement of capital<br>• Notice of Situation of Registered Office (Form 201)<br>• Particulars of Directors and Secretary (Form 203)<br>• Declaration of compliance with the Companies Act (Form 208)<br>• Copy of the company name approval Fee schedule for registration under the Companies Act (Cap. 486):<br>• For the first KES 100,000: KES 2,200<br>• For every KES 20,000 after the first KES 100,000 or part thereof: KES 120, subject to a maximum of KES 60,000<br>• Filing fee for three forms: KES 600 (KES 200 each)<br>*Agency: Registrar of Companies at the Attorney General's Chambers* | | |
| 6. | **Register for taxes at the Kenya Revenue Authority**<br>The personal tax identification number (PIN) and the company tax identification number are required to register for VAT, local service tax, and the Pay-As-You-Earn (PAYE) tax.<br><br>The PIN certificates of at least two signatories (2 directors or 2 shareholders or a director and the secretary) of the company are required. To register for taxes, the entrepreneur must also file the certificate of incorporation and a copy of the memorandum and articles of association. Due to new online reforms, the application for a PIN number and the registration for VAT registration can now be done online. Unless the KRA has already received confirmation of the company incorporation from the Companies Registry, the entrepreneur must submit the certificate of incorporation and receive log-in details to proceed with online tax registration.<br>*Agency: Tax Department* | 1 Day | No charge |
| 7. | **Apply for a business permit**<br>Applicable permit fees fall within the following scales: - Large trader, shop, or retail service with 21-50 employees and premises of 300-3,000 square meters (or at a prime location): KES 30,000 - Medium trader, shop, or retail service with 5-20 employees and premises of 50-3,000 square meters (fair location): KES 15,000<br>*Agency: Nairobi City Council* | 5 Days | KES 15,000 |
| 8. | **Register with the National Social Security Fund (NSSF)**<br>The National Social Security Fund provides the employee with a lump-sum retirement benefit. Historically, the rate of return paid by the state is considerably less than that achieved by private schemes, but participation is mandatory. The employer pays a standard contribution of about 1% of salary, subject to a maximum of KES 400 per month. Half the contribution is deductible from the employee’s salary. The precise amount of the contribution (less than the maximum) is determined by reference to salary bands. As of June 2014, following the enactment of the new National Social Security Fund Act (2013), the pension contribution is 12% of the pensionable wages made up of two equal portions of 6% from the employee and 6% from the employer subject to an upper limit of KES 2,160.<br>*Agency: National Social Security Fund* | 1 Day | No charge |

| | | | |
|---|---|---|---|
| 9. | **Register with the National Hospital Insurance Fund (NHIF)**<br>The employee contributes a fixed sum to the National Hospital Insurance Fund (NHIF), which must be deducted by the employer from the employees' salary. The maximum contribution is KES 320 per month. The contributions are used to offset the costs of medical treatment, but they only cover a fraction of actual costs. Hence, most companies provide employees with medical insurance | 1Day | No charge |
| 10. | **Make a company seal**<br>Seal makers request a copy of the certificate of incorporation in order to make a company seal.<br>*Agency: Seal maker* | 2 days | Between KES 2,500 and KES 3,500 |

# 5 – LABOUR

The provisions regulating employer-employee relationships are laid out in the Employment Act.

For factory workers, factory wages and conditions of employment, the Act is the binding law.

The employer-employee relationship stems from the agreement signed between an employer and an employee. A responsible officer of the company (e.g. the manager) may represent an employer in this agreement.

The agreement usually contains:
- The terms of reference for the employee detailing their specific duties and responsibilities
- The terms of employment, including hours of work, salary and other benefits, period of paid leave and other entitlements
- The respective rights and obligations of both employer and employee.

The minimum period of annual leave is 21 days per annum. Maternity leave is three months and paternity leave is two weeks. The employment agreement can, however, vary this upwards.

An employment agreement may either specify the period for which it's applicable or may set no period, but instead lay out the situations in which it may be terminated or deemed terminated.

Trade unions are formed to safeguard and champion the interest of either party. The employees' trade unions represent members in negotiating and concluding Collective Bargaining Agreements (CBA) with employers and in industrial disputes flowing from go-slows and strikes inter alia.

## SOCIAL SECURITY

The only social security issues in Kenya are pensions and compensation for injuries sustained in the course of employment and loss of earning capacity.

Under Old NSSF Act which is still operational, an employer with more than four employees must make a monthly contribution of a maximum of KES 200 towards each employee's retirement. These are made to the National Social Security Fund (NSSF), a body established by statute. Failure to make contributions leads to penalties and interest being imposed on the company.

For injuries arising from the workplace, employees can only enforce a compensatory payment by instituting legal proceedings in the courts of law against the employer.

Article 43(1)(e) of the Constitution of Kenya provides that every Kenyan has a right to social security and article 21 of Constitution commits the State to take legislative, policy and other measures as necessary, including the setting the standard to ensure effective and efficient provision of social security.

## NSSF ACT NO. 45, 2013

The National Social Security Fund Act No. 45 of 2013 was assented by the President of the Republic of Kenya on 24 December 2013 and came into force on 10th January 2014. The implementation of the Act was however halted by a court injunction that maintained a stay of the old rate as at August 2015.

The Act establishes that the National Social Security Fund provides Social Security for Workers and Self Employed Persons and their dependents.

For the purposes of the Act, the Upper Earning Limit (UEL) will be KES. 18,000 while the Lower Earnings Limit (LEL) will be KES 6,000. The pension contribution will be 12% of the pensionable wages made up of two equal portions of 6% from the employee and 6% from the employer subject to an upper limit of KES 2,160 for employees earning above KES 18,000.

The employee contribution shall be drawn directly from his salary and wages while the employers' contribution shall come directly from the employer.

The contributions relating to the earnings below the LEL of the earnings (a maximum of KES. 720) will be credited to what will be known as a Tier I account while the balance of the contribution for earnings between the LEL and the UEL (up to a maximum of KES 1,440) will be credited to what will be known as a Tier II account.

### EMPLOYER OBLIGATION

- under the new National Social Security Fund (NSSF) Act, every employer who engages one or more employees is required to promptly register with NSSF as a contributing employer
- Ensure prompt registration of all employees as members of NSSF
- Promptly deduct and remit contributions in full by the 15th day of the following month. Late payments of mandatory contributions shall attract a penalty at the rate of 5% of the total contributions for each month or part of the month that is remitted late
- Promptly submit accurate monthly returns in the prescribed format by the 15th day of the following month
- Maintain proper and up to date records of employees' earnings and particulars
- An employer who fails to comply with the above commits an offence

### MEMBERS OBLIGATION

- Under the new National Social Security Fund (NSSF) Act, every employee upon employment is required to furnish his/ her employer with accurate personal details
- Register only ONCE as a member of NSSF
- Where previously registered, produce his/her membership card as evidence of registration to a new employer
- Furnish to the Fund and regularly update his/her particulars and their dependents
- Keep membership card in safe custody

Under the National Social Security Fund (NSSF) Act, employers are required to remit contributions by:

- Cheques
- Bankers cheques
- Real Time Gross Settlement (RTGS)
- Electronic Funds Transfers (EFT)
- Cash subject to a maximum of KSH 5,000
- Through the NSSF M-PESA business No. 333300

However the NSSF Act 2013 is not yet implemented following pending court case.

# 6 – TAXATION

Taxation in Kenya is governed by several pieces of legislation, depending upon the tax.

The main taxation in Kenya consists of:
- Income tax – the Income tax Act covers the taxation of corporate profits and individual incomes
- Local taxes – land rent is payable by landowners for land leased from the government and rates are payable to local authorities
- Commodity taxes – these include value added tax (VAT), excise duty and import duties.

## CORPORATE TAX

Corporate tax is payable based on the tax-adjusted profits of a company.

The adjusted profits are arrived at by reducing a company's taxable income earned in a year by the allowable expenses, which are normally those solely incurred in earning the income.

The rate of tax applicable is 30% for resident companies and 37.5% for non-resident companies. A resident company is one incorporated in Kenya under Kenyan law, or one whose management and control of affairs is exercised in Kenya in the particular year of income under consideration, or one declared by the minister (for any year of income) to be resident in a notice in the Kenya Gazette, a government publication.

Companies are required to pay instalment taxes on income as the year progresses. For non-agricultural businesses, there are four instalments to be paid by the 20$^{th}$ of the month as set out below:
- 1$^{st}$ instalment – 4$^{th}$ month
- 2$^{nd}$ instalment – 6$^{th}$ month
- 3$^{rd}$ instalment – 9$^{th}$ month
- 4$^{th}$ instalment – 12$^{th}$ month.

Agricultural instalments are payable by the 20$^{th}$ day of the 9$^{th}$ and 12$^{th}$ month in the year of income.

A failure to pay leads to penalties. A company is supposed to use the previous years' income as a guide and an error rate of 10% is allowed on underpayment. Underestimation leads to a penalty of 20% on the difference between the instalment tax payable (based on actual results) and the amount of instalment tax paid, multiplied by a factor of 1.1. Further, a 2% penalty per month is charged on tax unpaid plus the penalty.

Finance bill, 2015 proposed the following amendments to the Income Tax Act:

- Tax rebate scheme for employers who engage and train at least ten fresh graduates for a period of six to twelve months.
- Taxation regime for landlords owning residential property to be simplified by taxing gross rental income at 12% in respect of gross rental income below KShs 10 million per year effective 1st January, 2016.
- Tax amnesty announced for landlords who have not fully declared rent or are outside the tax net. Landlords with tax arrears are advised to prepare to engage the Kenya Revenue Authority (KRA) to bring their tax status up to date.
- Tax Procedures Bill to be introduced which will contain uniform procedures across the three tax legislations - Value Added Tax, Excise Duty and Income Tax.
- Review and modernization of the Income Tax Act, expected to be complete by end of September 2015.
- The period for carrying forward tax losses now extended to ten years from the current 5 years.

- Producers in film industry set to benefit from rebates once a relevant fund is established in the near future.
- The Cabinet Secretary proposes to exempt asset transfers and other transactions related to the transfer of assets into Real Estate Investment Trusts (REITs) and Asset Backed Securities (ABS) from stamp duty.
- Finance bill proposes to introduce a final withholding tax of 0.3% on gross value of shares to be deducted and remitted to KRA by stockholders. Gain on unlisted shares will continue to be taxed at 5%.

## VALUE ADDED TAX

This tax is levied on goods delivered in or imported into Kenya and on certain services supplied in or imported into Kenya and for connected purposes.

VAT is charged in accordance with the Valued Added Tax Act on the supply of goods and services in Kenya (including anything specified by the minister as such a supply) and on the importation of goods and services into Kenya except where these are exempted.

The VAT rate is 16%. There is, however, another category of zero-rated goods where the rate is 0%; this category mainly has export goods and taxable services, supply to Export Processing Zones and supplies to public bodies or privileged persons. The remaining VAT category is that for 'exemption from VAT charges' e.g. for embassies and non-governmental organisations. This exemption is obtained and approved by the Ministry of Finance on application.

The input tax is paid on the supply to a registered person of any taxable goods and services to be used by him /her for the purpose of his/her business, or for import. Output tax is deducted on the taxable supplies.

A registered person/business must compute the tax payable to the Commissioner of Domestic Taxes by deducting the input tax from the output tax. Where excess input tax is paid, a registered person shall lodge a claim for the amount, provided that this is a regular feature of the business. Deduction of input tax paid is only allowed if the invoices have been generated by an electronic tax register approved by the revenue authority.

The Finance Bill, 2015 proposed the following amendments to the VAT Act:

- Services in respect of goods in transit to be zero-rated for VAT purposes. The Finance Act 2014 had previously exempted these services.
- The Cabinet Secretary clarified the timeframe for lodging the VAT Refund Claims to be within 12 months from the date the tax became due and payable. The 2013 VAT Act was silent on this which caused uncertainty over the period within which a taxpayer could lodge a refund claim.
- Goods and services purchased for use in film making have now been exempted from VAT.
- Plastic bag biogas digesters for use in biogas energy have been exempted.
- Taxable goods and services for use in the construction of infrastructure works in industrial and recreational parks of 100 acres or more have been exempted from VAT.
- Inputs imported or purchased locally for the assembly of electronic devices which includes school laptops or tablets will be exempted from VAT.
- The Cabinet Secretary proposed an amendment to allow returning residents who have owned left hand drive vehicles for at least twelve months to sell them and import VAT free right hand motor vehicles of equivalent value and specifications subject to specified conditions

## TURNOVER TAX

For businesses whose turnover is less than KES 5,000,000, there is a turnover tax that replaces both value added tax (VAT) and corporate tax.

The rate is 3% of gross receipts of the business.

## INDIVIDUAL INCOME TAX

Individual payers of income tax are residents of Kenya, who are taxed on their income earned in Kenya and employment income worldwide.

Kenya tax residents are currently defined as individuals who spend not less than 183 days of a calendar year in Kenya or those who have been in Kenya for an average of 123 days or more in the year and the preceding two years. Kenyan residents are taxed on employment income earned worldwide and also on other income derived in Kenya, including:

- Income from business
- Income from royalties
- Interest

### DOUBLE TAX TREATY

Kenya has double tax treaties with the following countries:

**Ratified & in force:**

- United Kingdom
- Germany
- Canada
- Norway
- Denmark
- Sweden
- Zambia
- India.

**Signed but not in force:**

The following DTA's have been signed but have not been ratified by all the Contracting States and are therefore in NOT in force.

- Italy - 15.10.1979
- Tanzania & Uganda - 31.3.1999 L/N no. 45/1999 (Re-negotiated by EAC States on 23rd November 2005 in Arusha, Tanzania

### DRAFT AGREEMENTS UNDER NEGOTIATION:

The following DTA's are at different stages of negotiation. For those that are in force, but under review, the existing DTA's continue to operate until the review is complete. This will be intimated through a Legal Notice revoking the existing one.

- Tanzania & Uganda (re-negotiatiated 23rd November 2005)
- France (2nd round negotiations, Nairobi, 3rd February 2006)
- Thailand {1st round negotiations, Bangkok, 7th July 2006}
- India {review 1st round, New Delhi, 14th July 2006}

### DRAFT AGREEMENTS FOR NEGOTIATION:

The following draft DTA's are under discussions by the Task Force on Double Taxation & Investment Agreements under the chair of Ministry of Finance.

- Seychelles
- Nigeria
- South Africa
- Mauritius
- Finland

- Russia
- United Arab Emirates
- Islamic Republic Of Iran

# 7 – ACCOUNTING & REPORTING

All commercial enterprises are required to prepare accounts for the determination of corporate taxes payable.

The income of not-for-profit organisations is not taxable. However, these organisations have a requirement (set out in their constitutive documents) to prepare accounts, showing funds received and their application.

The Companies Act also lays out requirements which must be met in order for organisations to satisfy reporting requirements. In this regard, accounts must comprise the following:
- Balance sheet
- Profit and loss account
- Cash flow statement.

In addition, financial statements must comply with International Financial Reporting Standards (IFRS). This means that, in addition to the three requirements above, companies must prepare:
- A statement of changes in equity
- Explanatory notes to the financial statements
- Disclosures as required by the IFRS and International Auditing Standards (IAS).

Financial statements are required to be prepared every 12 months.

## AUDIT REQUIREMENTS

An individual asked to sign an audit opinion should meet the requirements laid out by the Institute of Certified Public Accountants of Kenya (ICPAK).

Only registered auditors with the Registrar of Accountants Board (RAB) can express audit opinions on any set of accounts required by legislation or regulation for audit.

Audit examinations are either obligatory or initiative in nature. Obligatory audit examinations are established by law and are conducted for:
- Joint stock companies
- Bank, insurance companies and investment institutions.

Obligatory audit examinations should be conducted in accordance with standards approved by the IFRS and sector-specific regulations.

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# 8 – UHY REPRESENTATION IN KENYA

# UHY KENYA
# KENYA

UHY

## CONTACT DETAILS

UHY Kenya
PO Box 13550-00800
1st Floor, Centro House
Ring Road, Westlands
Nairobi
Kenya
Tel: +254 20 444 7196
Fax: +254 20 4446452
www.uhy-ke.com

## CONTACTS

| | |
|---|---|
| Liaison contact: | Mwai Mbuthia |
| Position: | Managing Partner |
| Email: | mmbuthia@uhy-ke.com |

| | |
|---|---|
| Year established: | 1976 |
| Number of partners: | 3 |
| Total staff: | 24 |

## OTHER IN-COUNTRY OFFICE LOCATIONS AND CONTACTS

We operate from Nairobi, the capital city of Kenya. From this location, we can service clients in Tanzania and Uganda.

## BRIEF DESCRIPTION OF FIRM

UHY Kenya/ Mungai & Associates has been in operation since 1976 and is currently one of the growing Certified Public Accountants and management consultancy firms in Kenya. We offer a wide range of financial consulting services all intended to assist clients to undertake and run successful business/ development initiatives in Kenya and other countries of East and Central Africa.

The firm joined UHYI in 2006.

UHY Kenya Mungai & Associates (the 'Firm') is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

## SERVICE AREAS

Audit
Accountancy
Taxation
Tax News on monthly basis
Internal audit
Risk-based audit
Payroll processing
Company formations
Recruitment of accountants
Investigations

The network for doing business

 

# UHY KENYA
# KENYA

## SPECIALIST SERVICE AREAS
Receivership and liquidations
Company valuations
Due Diligence assignments
Tax planning
Investment appraisals
Filing of annual returns
Risk base auditing
Audit of non governmental organisations

## PRINCIPAL OPERATING SECTORS
Agriculture

## LANGUAGES
English is the working knowledge while Kiswahili is the national language.

## CURRENT PRINCIPAL CLIENTS
• Highchem Group of Companies
• Equity Building Society (now Equity Bank Limited)- Previous client
• Karen Blixen Camp Limited
• Cybertrace Limited
• Delight Capital Microfinance Limited
• Ol Pejeta Conservancy- Part of Sweetwaters Camp
• Nairobi Flight Training Limited
. Young Women Christian Association
• Mhasibu Sacco Society Limited
• Mhasibu Housing Company Limited
• Simba Pharmaceuticals Limited
• Mangu Investments Co. Limited
• Action Aid Kenya Limited – Consultancy
• Ol Jogi Limited- Ranch and Tourism sector
• Macly Insurance Brokers Limited
• Oakland Media Services Limited
• Delamere Estates Limited
• Delamere Holdings Limited
• Soysambu Conservancy Limited
• Sunco International
• Under The Same Sun, Tanzania (parent company based in Canada)
• Africa Alliance of Young Men's Christian Associations
• Bahr-El-Ghazal Youth Development Agency (BYDA), Southern Sudan
• Kitisuru Water Limited-previous client
• The Kenya Young Men Christian Association (KYMCA)
• Charleston Travel Limited
• African Woman & Child Feature Services
• Young Christian Women Association
• German School
• Independent Adjusters Kenya Limited
• Hillcrest Schools Limited (In Receivership)

The network for doing business

 

• Triple Nine Associates Limited
• Maxam Limited
• Kenya Coffee Farmers Bank Limited- Previous client
• Runda Residents Association
• Media Council of Kenya
. Coalition on Violence Against Women
. Solidaridad E&CA Expertise

## OTHER COUNTRIES IN UHY CURRENTLY WORKING WITH, OR HAVE WORKED WITH IN THE PAST

United States of America.
Denmark
Canada
Malaysia
Netherlands
Germany
Spain
Israel
Malayasia

## BRIEF HISTORY OF FIRM

Founded in 1976 as Mungai & Associates, the firm has had its fair share of challenges. We have continued to service our medium sized clients especially in the areas of audit, tax etc.
In 2006, we joined the UHYI and continue to support the global effort of growing a bigger firm to the satisfaction of our clients.

We have adequate local resources to ensure that our clients receive value added services in any assignments that we undertake.

The network for doing business

 

## LET US HELP YOU ACHIEVE FURTHER BUSINESS SUCCESS

To find out how UHY can assist your business, contact any of our member firms. You can visit us online at www.uhy.com to find contact details for all of our offices, or email us at info@uhy.com for further information.