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**Summary of the main tax and legal aspects to be taken into account
for a branch and a company in Kenya***

	Branch (non-resident)	Company (the main forms being, a subsidiary, a Public Limited Company and LLC) (resident)
Duration	Indefinite until operation cease (cease of activities for a maximum of 6 months - then automatic wind up)	Indefinite until deregistered for whichever reason
Advantages	Simple registration process and cheaper than incorporating a company. The management and closure of the branch are faster, simpler and less costly than those of a company. It can be managed by a single director (branch manager). There is no branch profits tax or readmittance tax (no withholding tax).	Limited liability. Taxation of the subsidiary is on the subsidiary's income alone and at 30% instead of 37,5% for a branch. Company can be incorporated with a minimum of 1 shareholder and 1 director (of any nationality). No minimum share capital. No resident shareholder/director or representative required. Can benefit from the Simplified Tax Regime (STR) if registered in a free zone.
Drawbacks	Higher CIT rate of 37,5%. Legal liability is unlimited and attributed to the foreign company. Kenyan representative is required.	The legal procedure involved in creating a subsidiary can be lengthy and expensive; the process of incorporation is quite technical. A statutory audit is compulsory for Public Limited Companies and Private Limited Companies. Foreign ownership is restricted.
CIT filing obligations	Fiscal year is a calendar year. Tax return must be filed within six months following a company's financial year-end.	
CIT rate (for 2018-2019)	Effective rate of 37.5 % of the taxable profits for normal regime in the Oil & Gas sector.	30% of the taxable profits for normal regime in the Oil & Gas sector. Companies established in Export Processing Zones are taxed at 0% CIT for the first 10 years and 10% CIT for companies for 10 years in the Special Economic Zones.
PIT rate (for 2018-2019)	Effective rate of 0% to 30% of the taxable revenues (depending on the remuneration) for the normal regime (non-residents: only on income earned in country as result of employment)	Effective rate of 0% to 30% of the taxable revenues (depending on the remuneration) for the normal regime
Withholding Tax (WHT)	When payments are made by a debtor established in Kenya to companies, the following amounts are subject to the following WHT (depending on the exact nature and the residence status of the beneficiary of the payment): Dividends: 5% to 10%; interest : from 10 % to 25%; royalties: 5% to 20%; management of professional fees: 5% to 20%. Many other types of WHT apply.	When payments are made by a debtor established in Kenya to companies, the following amounts are subject to the following WHT (depending on the exact nature and the residence status of the beneficiary of the payment): Dividends: 5% to 10%; interest : from 10 % to 25%; royalties: 5% to 20%; management of professional fees: 5% to 20%. Many other types of WHT apply.
Double Taxation Treaties (DTT)	Kenya has DTTs with the following countries: Canada; Denmark; France; Germany; India; Iran; Norway; Qatar; South Africa; South Korea; Sweden; United Arab Emirates; United Kingdom and Zambia the most interesting reduced WHT rates being for the DTT between Iran, Qatar and France (i.e. from 5 to 12% for dividends, interests, royalties and professional fees). For a non-resident company to enjoy the benefits of a DTT between its resident country and Kenya, then at least 50% of its owners must be residents of its country or the non-resident company must be listed in a stock exchange in its country.	
Registration timeframe	Between 4 to 6 weeks	

*This table is not exhaustive and just focus on the main aspects based on the documents received. We provide you these services in accordance with current professional practice and guidelines and on the basis of Lechêne, Iñiguez & Partners' understanding of the proper interpretation of the law, court decisions and regulations in existence on the date on which the Services are provided. We accept no liability for any losses arising from changes in the law or regulations, or their interpretation, that occur subsequent to the date on which Our advice is given. You agree to provide on a timely basis all information and materials reasonably required to enable Us to provide the Services. You agree that all information disclosed or to be disclosed to Us is or will be true, accurate and not misleading in any material respect. We will rely on, and We will not independently verify, the accuracy and completeness of the information You supply to Us. You are responsible for informing Us if our understanding of the facts and the information provided is incorrect and of any changes to the information originally presented to Us. We will accept liability to pay damages in respect of loss or damage suffered by You as a direct result of breach of Our contractual obligations, or negligence, arising from the provision of the Services but the total aggregate liability of Lechêne, Iñiguez & Partners for all resulting losses, damages, costs and expenses shall in no circumstances exceed two times the fees that We receive for the provision of the relevant service giving rise to the breach or negligence as the case may be. The remedies available and the liability We accept under this clause are, to the extent permissible by law, the only remedies and the absolute limit of Our liability arising under or in connection with the Contract. To the extent permissible by law, all other liability is expressly excluded in particular, but without limitation and subject to any valid liability under the previous clause, liability for failure to realize anticipated savings or benefits. The Services performed by Us for Our clients are done so for the benefit and internal use of the latter only. The documents issued by Us (consultations, reports, letters, opinions, etc.) may not be used by third parties unless agreed in writing by Us, in which case the third party in question shall hold Us harmless by signing a discharge from liability. You undertake not to disclose these documents or any part thereof to any third party, by any means and on any medium, thus allowing the third party to benefit from Our Services. We cannot be held liable for any use by a third party of all or part of the Deliverables made by Us, without its prior written consent.