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COMMENTS ON THE FINANCE BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 19 OF 2025)

By Mizani254

S/No.	Item of the Bill/Proposal	Comment	Justification
1	<p>Amendment of the First Schedule to Cap. 470.</p> <p>Amendment of the First Schedule to the Income Tax Act by extending the period of approval of Income Tax exemption applications from 60 days to 90 days</p> <p>Amendment of section 47 of Cap, 4698.</p> <p>Proposal to increase the timeframe for determination of an overpayment</p>	<p>This is a step backward with regards to ease of doing business</p>	<ul style="list-style-type: none">Kenya has made significant improvements in the ease of doing business over the past years, coming from 136th place in 2014 to 56th place in 2019 (Most recent available data by World Bank).This proposal introduces more uncertainty, particularly for foreign investors or development partners who often operate on tight timelines and structured project cycles.

	of tax application by KRA from 90 days to 120 days.		<ul style="list-style-type: none"> • We also see an increased perception of bureaucracy from a regulatory standpoint, reinforcing the notion that doing business in Kenya involves red tape. • If this is not the case, clear communication/clarification on why the days are being extended would create a more positive perception.
2.	<p>Section 59A of the Tax Procedures Act (Cap. 469B)</p> <p>Finance Bill 2025 proposes to amend Section 59A of the Tax Procedures Act by deleting subsection 1(B)</p>	<p>The proposal infringes Article 31 of the constitution of Kenya which guarantees protection of personal data and privacy comprehensively as a fundamental human right</p>	<ul style="list-style-type: none"> • The deletion of subsection (1B) would remove existing legal safeguards that prevent KRA from demanding sensitive personal data and trade secrets, potentially leading to arbitrary or excessive intrusion into private information without adequate protection or limitation. • Without subsection (1B), KRA's expanded powers may lack sufficient checks and balances, increasing the risk of misuse or unauthorized disclosure of sensitive information, which the Constitution seeks to prevent. • Trade secrets for instance are valuable confidential business information protected under common law and contract law principles in Kenya. Granting KRA access to this data undermines the foundational principles of the two provisions, particularly those related to privacy, consent, and the sanctity of agreements. The threshold for confidentiality is significant, and such information is not ordinarily subject to public or government scrutiny without strict safeguards.