

# PrimeHub Advisory

## Kenya Finance Bill 2026 – Executive Summary & Tax Technology Advisory

This advisory summarizes the most significant provisions in the Kenya Finance Bill 2026 and outlines the likely implications for organizations operating tax-integrated software systems, ERP platforms, payment systems, e-commerce platforms, fintech products, and digital services.

Prepared for PrimeHub customers and partners.

### 1. Expansion of Taxation on Digital Services

The Bill significantly broadens the definition of royalties and management/professional fees to include software licensing, support services, maintenance fees, payment platform access, card processing systems, and digital marketplace facilitation.

**What customers should know:** Cross-border SaaS billing structures may require review. Payment gateway integrations may require updated withholding tax logic. Digital marketplace operators may need enhanced transaction reporting. ERP and finance systems should prepare for additional tax mapping fields. **Relevant Bill Areas:** Income Tax Act amendments on royalties and digital platforms.

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### 2. Increased Regulatory Oversight for Crypto & Virtual Assets

Virtual Asset Service Providers (VASPs) are now required to file information returns and support international exchange of tax-related information.

**Technology implications:** Crypto exchanges and wallet providers will likely require enhanced KYC and reporting capabilities. Transaction audit trails and user identification records will become more important. Data retention and compliance reporting APIs may need redesign.

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### 3. Mobile Phone & Consumer Technology Excise Changes

The Bill proposes a 25% excise duty on telephones for cellular and wireless networks.

**Technology implications:** POS systems and ERP item tax matrices must be updated. E-commerce pricing engines should support revised excise computations. Inventory valuation and landed cost calculations may change.

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### 4. Expanded KRA Assessment & Data Powers

KRA is granted broader authority to rely on electronic records, submitted data, audits, and third-party information when issuing assessments.

**What this means for integrated systems:** Data consistency across ERP, eTIMS, banking, and tax submissions becomes critical. Customers should strengthen audit logging and reconciliation workflows. Tax APIs should preserve immutable transaction references. System downtime and exception handling procedures should be documented.

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## 5. VAT & Input Tax Adjustments

Businesses may now need to account for input VAT adjustments where taxable supplies become exempt.

**Technology implications:** Finance systems should support retrospective VAT adjustments. Inventory and procurement modules may require exemption-aware workflows. Tax engines should support mixed taxable/exempt supply scenarios.

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## 6. Betting, Gaming & Payment Wallet Reporting

The Bill expands taxation around betting winnings, withdrawals, and wallet deposits.

**Technology implications:** Gaming operators may need revised withholding tax workflows. Wallet systems should preserve granular transaction classifications. Automated reconciliation between betting systems and finance ledgers becomes increasingly important.

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## PrimeHub Advisory Recommendations

**Immediate Recommendations for PrimeHub Customers** Review all tax determination logic in ERP and billing systems. Validate withholding tax mappings for digital and cross-border services. Conduct reconciliation testing between tax systems and operational platforms. Review eTIMS, API, and invoice-generation integrations. Prepare compliance monitoring dashboards and audit trails. Update documentation and tax exception handling workflows. Assess the impact of new excise duties on product pricing and procurement.

**Disclaimer:** This document is an executive advisory summary intended for informational purposes and should not be treated as legal or tax advice. Organizations should consult qualified tax professionals and legal counsel before implementing operational or tax changes.