



CLIENT ADVISORY

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TIMS / eTIMS Configuration Advisory

KRA's iCMS – iTax Integration for Zero-Rated Exports — What Exporters Must Configure, Check and Reconcile Before May 2026

FROM	FOR	EFFECTIVE	READING TIME
Primehub Consultancy & Integrations	Finance, Tax, IT and Operations leadership at exporting taxpayers; C&F agents; ERP and TIMS owners.	May 2026 (per KRA Public Notice of 23 April 2026)	~8 minutes

AT A GLANCE

KRA is blocking manual declaration of zero-rated export supplies in VAT returns. Export values are now auto-prefilled into your iTax VAT return from iCMS (Customs). If an export is not validated in iCMS and linked to a valid TIMS / eTIMS zero-rated invoice, it will not appear in your VAT return — and it cannot be added back manually.

Action required: audit your TIMS / eTIMS configuration, ERP export flows and C&F lodgement practice. The systems are not changing — the discipline around them is. Exporters who fix their processes now protect cashflow; those who do not risk refund delays or outright denials.

1. What has changed

Through a public notice dated 23 April 2026, Kenya Revenue Authority confirmed that export data validated in iCMS (Customs) will be automatically prefilled into the zero-rated supplies declaration of the VAT return in iTax with effect from May 2026.

The integration removes manual entry of export values. Only export values validated in iCMS and linked to a valid taxpayer PIN and TIMS / eTIMS zero-rated invoice number will be permitted in the VAT return. Manual adjustments in iTax are locked out.

The scope is comprehensive:

- Exports to foreign countries
- Movements within the Single Customs Territory (SCT)
- Sales to Export Processing Zones (EPZs)
- Sales to Special Economic Zones (SEZs)
- Taxable services exports — prefilled directly from transmitted eTIMS invoices

KRA's stated objective is to tighten VAT refund verification by ensuring a single digital trail — Customs → Invoicing → VAT return — and to eliminate fraudulent or inflated claims arising from manual entries.

2. Why this matters for your TIMS / eTIMS configuration

For exporters already operating on TIMS or eTIMS, this is not a software upgrade event — the systems already work. It is a configuration, discipline and reconciliation event. The link that KRA is now enforcing — exporter PIN plus CU Invoice Number captured at iCMS lodgement and matched against an eTIMS-signed zero-rated invoice — depends on a chain of small settings and habits that are easy to overlook day-to-day. A single misconfigured tax code, a missing customer PIN, a duplicate-signed CU number or a dormant gadget can break the prefill quietly and only surface when a refund claim stalls.

The following eight configuration touchpoints, in our experience with TIMS-using exporters across food processing, manufacturing and services, are where breakage typically occurs.

2.1 Tax type / class on the device and in the ERP

Every export invoice line must carry the zero-rated tax classification. In many ERPs, the default tax type for a customer or item is standard-rated, and the zero-rated classification only applies if the export flag, export customer master, or item tax class explicitly overrides it. The TIMS device signs whatever the ERP sends — if standard-rated is sent, the iCMS-to-iTax prefill will not recognise the invoice as zero-rated and the refund chain breaks at source.

2.2 Customer PIN capture and validation

The exporter's own KRA PIN, the buyer's PIN (where applicable for SCT / EPZ / SEZ counterparties) and the customer reference must be present on every zero-rated invoice. Configure customer master data so the PIN field is mandatory for any customer flagged as export, EPZ or SEZ. The C&F agent will require the same PIN at iCMS lodgement; mismatches at the PIN level prevent prefill matching.

2.3 Export flag and document type

Sales orders and invoices for export transactions should carry an explicit export flag at the document level — driven either by customer master configuration or by an order-type rule. This flag is what triggers the zero-rated tax class downstream and feeds into the document classification that iCMS expects.

2.4 Transmission timing — real-time, not batch

Real-time signing and transmission to KRA is now operationally critical for export invoices. Devices that batch-sign on a delayed schedule create a window during which the CU number does not yet exist in KRA's systems — if a C&F lodgement happens in that window, the matching fails. We routinely see this on TIMS device estates where speed has degraded over time; if your team is experiencing slow signing, that is no longer just an operational nuisance, it is a refund risk.

2.5 CU Invoice Number discipline at iCMS lodgement

The CU Invoice Number issued by the TIMS / eTIMS device is the key that links a Customs export document to a VAT return entry. C&F agents must capture this exact number at iCMS lodgement, not the internal invoice number, not the delivery note number, not the commercial invoice number. A formal handover protocol between Finance and the C&F agent — including a check that the CU number on the iCMS lodgement matches the eTIMS portal record — is now indispensable.

2.6 Credit notes — including value-only credit notes

Credit notes against zero-rated invoices must be properly linked to the original CU Invoice Number and must themselves carry the zero-rated tax class. Where the ERP needs to issue value-only credit notes (no line items, only a value adjustment), the ERP configuration must allow these to be raised and signed compliantly without forcing a placeholder line item — placeholder lines frequently end up mis-classified and trigger negative-reconciliation flags. If your current configuration does not support clean value-only zero-rated credit notes, address it before May closes out.

2.7 Duplicate signing

A duplicate-signed invoice — i.e., the same source invoice signed twice and producing two different CU Invoice Numbers — creates two iCMS-matchable records where there should be one. KRA's reconciliation engine matches on the unique CU number, so duplicates either flag as suspicious refund volume or, worse, result in the duplicate's

entry being treated as a separate transaction with no underlying Customs document. We have seen this most commonly on legacy device estates where network drops cause the ERP to re-trigger signing. Closing duplication at the Business Central or ERP layer is essential.

2.8 Dormant gadgets and historical unsigned invoices

Any zero-rated export that did not pass through TIMS or eTIMS — typically because the assigned device was offline, dormant or de-registered at the time — cannot be prefilled into a VAT return going forward. Historical exposure of this kind needs to be identified, the affected invoices reversed via active compliant devices, and the corrected CU numbers reconciled into iCMS where the export documents are still open. Older invoices are subject to KRA's 6-month credit-note window and may require specific accounting treatment.

3. The reconciliation chain

Three systems must agree on every zero-rated export transaction. The match is one-way: if any of the three is missing or wrong, the VAT return prefill fails — and you cannot fix it manually.



Reconcile the three before lodging the return: eTIMS portal record ↔ ERP / Finance record ↔ iCMS submission. Mismatches resolved before filing; not after.

4. Recommended configuration checks

We recommend the following checks be completed within the next 30 days. Tick off each one against your environment; treat any unchecked item as an open refund risk.

✓	Check	What to verify	Owner
<input type="checkbox"/>	Tax type configuration	Export customers and items resolve to a zero-rated tax class on every line of every export invoice. No defaulting to standard-rated.	Finance / ERP owner
<input type="checkbox"/>	Customer PIN mandatory	Customer master enforces PIN capture for all export, EPZ and SEZ customers. ERP rejects export invoices without a PIN.	Finance / Master data
<input type="checkbox"/>	Export flag	Sales orders for exports carry an explicit export flag that drives downstream tax classification and document type.	Finance / ERP owner
<input type="checkbox"/>	Real-time signing	TIMS / eTIMS device transmits invoices to KRA in near real-time. Batch latency, where present, is below the C&F lodgement window.	IT / TIMS owner
<input type="checkbox"/>	CU Invoice Number handover	Documented protocol for handing the CU Invoice Number to the C&F agent for iCMS lodgement. Cross-check before customs declaration is submitted.	Finance / Logistics
<input type="checkbox"/>	Credit note linkage	Credit notes reference the original CU number and carry zero-rated tax class. Value-only credit notes supported without placeholder lines.	Finance / ERP owner

✓	Check	What to verify	Owner
[]	No duplicate-signed invoices	Business Central or ERP prevents an already-signed invoice from being re-signed. Historical duplicates identified and reversed.	<i>IT / ERP owner</i>
[]	Dormant-gadget exposure cleared	Historical zero-rated invoices that were not signed (or signed) identified, reversed and re-issued via active devices.	<i>IT / TIMS owner</i>
[]	Weekly reconciliation report	eTIMS portal extract reconciled weekly against ERP records and iCMS submissions. Variances logged and cleared.	<i>Finance</i>
[]	Pre-May dry-run	At least one VAT return cycle filed under the new prefill behaviour before live closing. Mismatches investigated.	<i>Finance / Tax</i>

5. Common pitfalls we see in the field

OBSERVED IN THE FIELD — DO NOT REPLICATE

- ▶ **ERP** defaulting export customers to standard-rated and relying on a manual VAT override at invoice entry. The override is forgotten on roughly one invoice in twenty — enough to fail a year of refunds.
- ▶ **Duplicate** signing on legacy devices when the network drops mid-transaction; the ERP retries and a second CU number is produced for the same source invoice.
- ▶ **Missing** Item Class Codes (Even id VAT class code is OK) will transmit an export invoice as local.
- ▶ **C&F** agents lodging in iCMS using the commercial invoice number, the delivery note number or the proforma reference instead of the CU Invoice Number. The match never lands.
- ▶ **Refund** claims lodged outside the 12-month statutory window because reconciliation was deferred. Recent reforms have tightened this window; old habits no longer fit.

6. Action sequence — next 30 days

Timeline	Action
Week 1	Confirm tax-type configuration, export flag and customer PIN rules in the ERP. Pull a sample of zero-rated invoices from the last 90 days and verify each one carries a CU Invoice Number and a buyer / customer PIN where applicable. Check against, KRA Downloads.
Week 2	Brief your C&F agents on the iCMS PIN + CU Invoice Number capture protocol. Document the handover procedure between Finance and Logistics for every export. Make CU number capture a non-negotiable on the customs declaration checklist.
Week 3	Run a reconciliation between the eTIMS portal extract, your ERP / Finance records and a sample of iCMS lodgements. Investigate every mismatch — missing CU numbers, duplicate CU numbers, value mismatches, PIN mismatches. Fix at source.
Week 4	Address E-Tims/ device-level issues: speed degradation, duplicate signing. Reverse historical duplicates and re-issue invoices that did not pass through compliant devices.

Timeline	Action
Ongoing	Embed a weekly reconciliation between eTIMS portal, ERP records and iCMS submissions. Resolve variances within the week. File refund claims promptly within the 12-month statutory window.

PRIMEHUB CONSULTANCY & INTEGRATIONS

How we can help

Primehub's Consultancy & Integrations practice specialises in TIMS / eTIMS configuration, ERP integration and refund-trail reconciliation for exporting taxpayers in Kenya. Our team has worked across the Datecs Type C device families and has integrated TIMS / eTIMS into Microsoft Dynamics 365 Business Central, Sage and custom ERPs.

In light of the iCMS – iTax integration, we offer five focused engagements. Each is scoped tightly so it can be delivered before the May 2026 closing window.

01. TIMS / eTIMS configuration audit

A one-week audit of your device estate, ERP tax configuration, transmission discipline and CU number handover practice. Output: written findings against the ten checks in §4, with a prioritised remediation list.

02. ERP-to-TIMS integration review

Targeted review of the integration between your ERP (Business Central, Sage or custom) and your TIMS / eTIMS estate. Focus on export flag, tax-type routing, customer PIN enforcement, real-time transmission and credit note linkage. Output: a configuration change list with implementation oversight.

03. Reconciliation workflow setup

Design and stand-up of a weekly reconciliation between the eTIMS portal extract, ERP records and iCMS submissions. Includes report templates, variance-resolution workflow and ownership assignment. Designed to run inside Finance without external support thereafter.

04. Historical clean-up — duplicates

Off-system reversal of duplicate-signed invoices and recovery of credit notes attributable to dormant or non-functional gadgets. Device-by-device execution, KRA 6-month-window aware, with full reconciliation reporting. Available across Datecs Type C.

05. E-TIMS / VSCU migration assessment

Independent assessment of your readiness for migration from TIMS to E-TIMS / VSCU, with a recommendation on timing, scope and integration approach. Scoped as a discrete engagement rather than a commitment to migrate.

TO REQUEST A SCOPING CALL

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This advisory is issued by Primehub Limited's Consultancy & Integrations practice and reflects publicly available KRA guidance (Public Notice of 23 April 2026) together with Primehub's field experience configuring TIMS and eTIMS estates. It is not tax advice. For taxpayer-specific positions, including refund eligibility and dispute matters, consult a registered tax practitioner. Configuration recommendations should be validated against your own environment before adoption.