



# Kenyans Living Abroad

KRA PIN & Tax Obligations

Guidelines for Returning Residents

Importation

Diplomatic & First Arrival Privileges

## Guidelines for Returning Residents

### Who is a returning resident?

A returning resident is a KENYAN CITIZEN changing residence from a place outside Kenya to a place within Kenya.

### What are the taxes exempted and what legislation supports the exemption?

Returning residents are exempt from payment of Import Duty, Excise Duty, Value Added Tax (VAT), and Import Declaration Fee (IDF). The following are the legal provisions for the exemption of the said taxes:

- Import Duty – 5th Schedule Part B Item 5 of the EACCMA (2004) Act
- Excise Duty – 2nd Schedule Part A Item 6 of the Excise Duty Act
- Value Added Tax (VAT) – 1st Schedule Part 1 Item 99 of the VAT Act
- Import Declaration Fee (IDF) – 2nd Schedule Part A Item (vi) Miscellaneous Fees & Levies Act

Railway Development Levy (RDL) is chargeable under Section 8 of the Miscellaneous Fees and Levies Act, Cap 469C.

### What goods are covered under the exemption regime for returning residents?

1. Wearing apparel.
2. Personal and household effects of any kind, which were in personal use in the former place of residence.





Any conditions to be met for qualification of exemption as a returning resident?

For qualification of exemption as a returning resident, the following conditions apply:

- 1. Demonstration of having resided outside Kenya — present a valid passport, visa, or work/student permit.
- 2. Demonstration that the person is permanently changing residence by returning to Kenya — passport entry endorsement.
- 3. In the case of a motor vehicle, evidence of ownership and usage of the motor vehicle for at least twelve months.

Are spouses and children tax exempt on returning resident basis?

Spouses and children of 18 years and above are exempt from taxes on the said goods provided that they meet all the conditions for returning residents. Such conditions include:

- That the goods were for personal and household use in the former place of residence.
- The conditions for a motor vehicle apply, i.e., one motor vehicle (excluding buses and minibuses of seating capacity of more than 13 passengers and load-carrying vehicles of capacity exceeding two tonnes) which the passenger has personally owned and used outside Kenya for at least twelve months (excluding the period of the voyage in the case of shipment).
- Evidence of residence outside Kenya (e.g., work permits, residence permits).
- Evidence of returning to Kenya (e.g., passport entry endorsement, completion of contract/work assignment).

For spouses who are not Kenyan citizens, they may be accorded tax exemption on first-arrival basis provided that they are coming to execute an assignment whose contract is not less than two years.

After what period is a returning resident entitled for another exemption (motor vehicles)?

A person is accorded an exemption on another motor vehicle once every four years and provided that all the duties on the earlier exempted motor vehicle have been paid. (Paragraph 5(3)(d) of the Fifth Schedule Part B of the East African Community Customs Management Act, 2004).

What documents will be required for processing the exemptions?

The following documents will be required when processing the exemptions:

- Importation documents – Invoice, Bill of Lading/Air Waybill, Packing List
- Passport – showing the entry and exit stamps
- Evidence of residence outside Kenya
- Interpol clearance for motor vehicles
- Evidence of ownership of the motor vehicle for at least 12 months

Any other conditions to be met?





days from the date of arrival, they shall export their personal or household effects within thirty days, or such further period not exceeding sixty days from the date they change residence to a place outside a Partner State, as the Commissioner may allow; otherwise duty becomes payable from the date of importation.

You are allowed, among other items, one motor vehicle (excluding buses and minibuses) into the country duty free subject to the following conditions:

- Evidence of ownership and use of the vehicle for at least twelve months before return.
- The vehicle must not be more than eight years old from the date of manufacture.
- Evidence of travel (i.e., passport or appropriate travel documentation).
- The vehicle must be shipped into the country within ninety days or further period not exceeding 360 days upon approval by the Commissioner, of the return of the individual resident.
- The individual must not have enjoyed a similar exemption within the last four years.
- The household goods and personal effects should have been in personal use by the person in their previous residence before return to Kenya.

Guidelines for Returning Residents from Countries that Operate Left-Hand Drive (LHD) Vehicles

1. The person must be bona fide changing residence from a place outside Kenya to a place within Kenya.
2. The returning resident must provide proof of ownership and usage of the previously owned left-hand drive (LHD) vehicle for at least twelve months before changing residence.
3. The returning resident must provide proof of disposal (transfer of ownership) of the previously owned LHD vehicle before changing residence from the former country of residence.
4. The replacement right-hand drive (RHD) vehicle should have a value not exceeding that of the previously owned LHD vehicle.
5. The replacement RHD vehicle must not fall into the following categories and must meet these compliance conditions:
  - Bus or minibus of a seating capacity of more than 13 passengers.
  - Load-carrying vehicle of load-carrying capacity exceeding two tonnes.
  - Comply with KEBS requirements of Legal Notice No. 78 of 15<sup>th</sup> July 2005 and KS1515:2000 (Kenya Standard Code of Practice for inspection of road vehicles), including:
    - Being less than 8 years old from the year of first registration;
    - Being right-hand drive; and
    - Undergoing roadworthiness inspection by KEBS’s appointed inspection agent in the country of export.
6. Evidence or proof of travel (passport or any authorized travel document).
7. The returning resident must provide residency/work permits.
8. The replacement motor vehicle must be imported into Kenya within ninety days of return of the person or such further period not exceeding three hundred and sixty days as may be approved by the Commissioner, Customs & Border Control.
9. The individual must not have enjoyed a similar exemption within the last four years.
10. The individual must have attained the age of eighteen years and above.
11. The country which one is returning from must be operating left-hand drive vehicles.
12. Where any person who has been granted exemption changes residence to a place outside Kenya within ninety days from the date of arrival, they shall export the motor vehicle within thirty days, or such further period not exceeding sixty days; otherwise tax shall become due and





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The following supporting documents should be attached including but not limited to:

- Passport – original
- Residence Visa/Work Permit – original
- PIN Certificate – obtained through the Kenya Revenue Authority
- Bill of Lading/Air Waybill – original
- Commercial invoice – for left-hand drive motor vehicle replacement
- Authority letter – nominating a licensed customs clearing agent to act on their behalf
- Copy of logbook for the previously owned left-hand drive motor vehicle
- Sale agreement of the left-hand drive motor vehicle

Application for tax exemption

The returning resident is required to engage the services of a Licensed Customs Clearing Agent for the processing of exemption

Address

Times Tower Building  
Haile Selassie Avenue  
P. O. Box 48240 - 00100

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