

How to Respond to a KRA Section 59 Notice in Kenya (Step-by-Step Guide)

Introduction

Receiving a Section 59 Notice from the Kenya Revenue Authority (KRA) can be alarming for any business owner. Many SMEs ignore it, delay response, or submit incomplete documentation — often escalating the issue into a full audit. This guide explains what a Section 59 notice means and how to respond correctly to protect your business.

What Is a Section 59 Notice?

Section 59 of the Tax Procedures Act empowers KRA to request information, documents, or clarification from a taxpayer. It is not automatically an audit — but it can lead to one if mishandled.

Common Triggers

- VAT mismatches under eTIMS
- Repeated NIL filing with visible transactions
- Large input VAT claims
- Non-filing history
- Inconsistent income declarations

Step 1: Do Not Ignore the Notice

Check the deadline, specific documents requested, and tax period under review. Missing deadlines may escalate enforcement action.

Step 2: Review Your Internal Records

Reconcile VAT input vs output, verify bank transactions match declared income, and ensure eTIMS alignment before submitting any documents.

Step 3: Prepare Structured Documentation

Label files clearly, organize by month, attach reconciliation summaries, and provide explanations for discrepancies.

Step 4: Submit Through Official Channels

Submit via iTax, official KRA email, or designated office as instructed. Always retain proof of submission.

Common Mistakes

- Ignoring the notice
- Submitting incomplete records
- Providing contradictory figures
- Filing amendments without explanation

Need Professional Assistance?

Agweyu Group provides structured support in VAT reconciliation, eTIMS alignment, audit preparation, compliance documentation, and KRA correspondence management.

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