East Africa

REDMOND Tax Monitor

Tax News that shaped businesses across EAST AFRICA from 19th to 23rd January 2026

Kenya

1. KRA Prescribes 8% Interest Rate for Tax Computations

On January 22, 2026, the Kenya Revenue Authority issued a public notice prescribing an interest rate of 8% for key tax computations in 2026. This rate applies specifically to Fringe Benefit Tax (FBT) market interest calculations under Section 12B of the Income Tax Act and deemed interest calculations under Section 16(2)(ja) of the Income Tax Act. The prescribed rate will be applicable for the first six months of 2026, covering January through June, providing employers and taxpayers with a longer planning horizon compared to the previous quarterly adjustments.

The 8% rate represents a continuation of the stable interest rate environment that began in the latter half of 2025, following a period of higher rates earlier in the year. This stability reflects the Central Bank of Kenya's successful efforts to moderate inflation and stabilize monetary policy. For employers providing staff loans at below-market rates, this means the taxable fringe benefit will be calculated based on the difference between 8% and the actual rate charged, with the differential being added to employees' gross income for PAYE purposes and subject to 15% withholding tax on deemed interest.

2. KRA Suspends NIL Tax Return Filing System Until March 30, 2026

The Kenya Revenue Authority has announced the suspension of the NIL tax return filing system until March 30, 2026, marking a significant development in the country's tax administration framework. This suspension affects taxpayers who would typically file NIL returns—declarations indicating no taxable activity or income for a particular period. The decision appears to be part of KRA's ongoing efforts to streamline its digital tax systems and improve the accuracy and efficiency of tax collection processes.

The suspension comes at a critical time when KRA is implementing various system upgrades to its iTax platform, which serves as the primary interface for taxpayers to file returns, make payments, and interact with the revenue authority. While the specific reasons for the suspension have not been fully detailed, it likely relates to technical enhancements aimed at reducing fraudulent NIL return filings and ensuring that only genuinely inactive taxpayers utilize this facility. Taxpayers who have no tax liability during this period should seek guidance from KRA on alternative compliance procedures to avoid penalties for non-filing.

3. Kenya Pipeline Company Launches $824 Million IPO

Kenya Pipeline Company (KPC), the state-owned petroleum products transporter, launched its highly anticipated initial public offering (IPO) on January 19, 2026, aiming to raise $824 million in what could become one of Kenya's largest public listings in recent years. The IPO represents a significant milestone in the government's privatization agenda and its efforts to deepen Kenya's capital markets while bringing more strategic state enterprises under public ownership. This offering provides Kenyan investors, both institutional and retail, with an opportunity to participate in the ownership of critical national infrastructure.

4. Kenya's Diaspora Remittance Inflows Hit Record $5.084 Billion

Kenya's diaspora remittance inflows reached a remarkable record of $5.084 billion in the fiscal year 2024/25, representing a significant milestone in the country's external resource mobilization and highlighting the crucial role of the Kenyan diaspora in supporting the national economy. This achievement underscores the growing contribution of Kenyans working abroad, who send money home to support families, invest in real estate, finance education, and contribute to various development projects. The steady growth in remittances reflects not only the expanding diaspora population but also improvements in formal money transfer channels and digital payment platforms that have made sending money home more accessible and cost-effective.

UGANDA

1. URA Newsletter Published: October to December 2025 Edition (January 23, 2026)

The Uganda Revenue Authority (URA) published its quarterly newsletter covering the period from October to December 2025 on January 23, 2026, providing stakeholders with comprehensive insights into the authority's activities, achievements, and strategic initiatives during the final quarter of 2025. This publication serves as a vital communication tool between URA and the taxpaying public, offering updates on policy changes, revenue collection performance, taxpayer education programs, and enforcement activities. The newsletter typically includes success stories, compliance tips, updates on digital transformation initiatives, and information about new tax measures or administrative procedures that taxpayers need to be aware of.

The October to December 2025 period was particularly significant for URA as it marked the conclusion of the first half of the 2025/2026 financial year, a critical time for assessing progress toward annual revenue targets and implementing mid-year adjustments to collection strategies. The newsletter likely highlights URA's performance against its ambitious revenue targets, showcasing sectors that have shown strong growth and identifying areas requiring enhanced enforcement or taxpayer engagement. This quarterly publication also provides an opportunity for URA to communicate its modernization efforts, including the rollout of digital tax systems, electronic fiscal devices, and data analytics tools that are transforming tax administration in Uganda.

2. Tax Hub Announces Tax Appeals Tribunal Chair as Guest Speaker for 4th Edition of Tax Nights

Tax Hub, a leading tax education and advocacy organization in Uganda, has announced that the Chairperson of the Tax Appeals Tribunal, Crystal Kabajwara, will be the guest speaker at the 4th Edition of Tax Nights scheduled for February 5, 2026. This announcement represents a significant development in Uganda's tax community, as it brings together tax professionals, business leaders, and taxpayers for an engaging dialogue on tax dispute resolution mechanisms and taxpayer rights. The Tax Nights series has become an important platform for knowledge sharing, networking, and discussing contemporary tax issues affecting Uganda's business environment.

3. Tax Appeals Tribunal Resumes Hearing of Cases After Election Break

The Tax Appeals Tribunal of Uganda has resumed hearing of cases following a break for the country's electoral period, marking a return to normalcy in the tax dispute resolution process and providing relief to numerous taxpayers whose appeals had been pending during the election-related suspension.

4. UNOC UAE-Backed $4 Billion Refinery Deal Enters Final Phase

The Uganda National Oil Company (UNOC) has announced that its UAE-backed $4 billion oil refinery project has entered its final phase, representing a monumental milestone in Uganda's journey toward becoming an oil-producing nation and unlocking the economic potential of its petroleum reserves. This massive infrastructure project, supported by investors from the United Arab Emirates, will establish a world-class refinery capable of processing Uganda's crude oil and serving the broader East African market. The refinery is expected to significantly reduce Uganda's dependence on imported petroleum products, create thousands of jobs, generate substantial tax revenues, and catalyze industrial development in the region.

5. Uganda's Gold Exports Overtake Coffee

In a dramatic shift in Uganda's export composition, gold exports have overtaken coffee to become the country's leading export commodity, marking a significant transformation in the nation's economic structure and revenue sources. This development reflects both the rapid growth of Uganda's mining sector and the relative challenges facing the traditional coffee industry, which has long been Uganda's most important agricultural export. Gold's ascent to the top position underscores the increasing importance of the extractive sector to Uganda's economy and highlights the need for robust taxation and regulation of mineral exports to ensure the country maximizes benefits from its natural resources.

TANZANIA

1. 2% Single Installment Tax (SIT) on Forest Produce Takes Effect (January 1, 2026)

Tanzania implemented a new 2% Single Installment Tax (SIT) on the sale of forest produce, effective January 1, 2026, as part of the Finance Act 2025's provisions to broaden the tax base and improve revenue collection from the forestry sector. This tax applies to transactions involving the sale of forest products, including timber, charcoal, firewood, and other forest-derived materials. The SIT represents a simplified taxation mechanism designed to replace multiple taxes that previously applied to forest produce transactions, making compliance easier for traders and improving revenue collection efficiency for the Tanzania Revenue Authority (TRA).

---

2. Tanzania's GDP Growth Projected at 6.1% in Early 2026, Zanzibar at 7.2%, Inflation to Remain Within 3-5%

Tanzania's economic outlook for early 2026 remains robust, with GDP growth projected at 6.1% for the mainland and an even more impressive 7.2% for Zanzibar, while inflation is expected to remain well-controlled within the 3-5% target range. These projections reflect Tanzania's continued economic resilience, strong performance across key sectors including agriculture, mining, tourism, and services, and the government's effective macroeconomic management. The healthy growth rates position Tanzania as one of East Africa's strongest performing economies and create a favorable environment for continued investment, job creation, and revenue mobilization.

3. Tanzania Ministry of Minerals Announces Bold New Investments in Geological Survey (January 19, 2026)

On January 19, 2026, Tanzania's Ministry of Minerals made a significant announcement regarding bold new investments in the Geological Survey of Tanzania (GST), aimed at unlocking the country's vast mineral potential and providing comprehensive geological information to attract investment in the mining sector. This strategic initiative involves the deployment of advanced exploration technologies, expansion of geological mapping coverage, development of comprehensive mineral resource databases, and capacity building for GST staff.

RWANDA

1. Rwanda Revenue Authority Holds 15th Annual Tax Convention Under Theme "From Law to Practice: Building Hands-On Tax Competence for Real Impact"

The Rwanda Revenue Authority (RRA) held its 15th Annual Tax Convention (ATC) under the theme "From Law to Practice: Building Hands-On Tax Competence for Real Impact," bringing together tax professionals, business leaders, government officials, and other stakeholders to discuss practical approaches to improving tax compliance and administration in Rwanda. This annual event has become a cornerstone of Rwanda's tax calendar, providing a platform for dialogue on contemporary tax issues, sharing best

practices, networking among tax practitioners, and strengthening the partnership between RRA and the taxpaying public.

2. Rwanda Development Board Upgrades Business Registration System and Integrates with One Stop Centre

The Rwanda Development Board (RDB) has officially upgraded its Business Registration System and integrated it with the One Stop Centre (OSC), marking a significant milestone in Rwanda's journey toward becoming one of Africa's most business-friendly destinations.

The upgraded Business Registration System addresses previous challenges in Rwanda's business registration process, including redundant data entry requirements, disconnected systems requiring multiple visits to different agencies, delays in obtaining business licenses and permits, and difficulties in tracking application status.

3. Rwanda Starts Reaping Benefits from Export of Digital Solutions to Chad (IFMS, E-Tax, EBM Systems)

Rwanda has begun generating returns from its export of digital solutions to Chad, including Integrated Financial Management Systems (IFMS), Electronic Tax (E-Tax) systems, and Electronic Billing Machines (EBM) systems, with stronger uptake expected in 2026. This development represents a remarkable evolution in Rwanda's economic profile, as the country transitions from being purely a consumer of technology solutions to becoming an exporter of sophisticated digital systems for tax administration and public financial management. The success of Rwanda's digital government systems has attracted attention from other African nations seeking to modernize their own administrative processes, creating opportunities for revenue generation, knowledge transfer, and positioning Rwanda as a regional technology hub.