

14th October 2024

Our Ref: KRA/5/SCM/13/2/10

To: Esteemed Suppliers

RE: IMPLEMENTATION OF LEGAL NOTICE NO. 206: THE PUBLIC
PROCUREMENT CAPACITY BUILDING LEVY ORDER, 2023.

The KRA (Procuring entity) hereby notifies you that Cabinet Secretary- National Treasury and Economic Planning, pursuant to section 24(5) (d) and 180 of the Act, Issued the Public Procurement Capacity Building Levy (CBL) order, 2023. The levy aids in providing funds for the capacity development of persons involved in public procurement and asset disposal proceedings through mentoring, training, and technical assistance.

Section 3(1) of the Levy Order, 2023; provides that there shall be paid a Levy by on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point three per centum (0.03%) of the value of the signed contract, exclusive of the applicable taxes.

You are hereby advised that;

1. The commencement date for The Levy Order, 2023 was 1st September, 2024.
2. The Levy Order,2023 shall apply to all signed contracts resulting from all procurement proceedings initiated from 1st September 2024;
3. The Levy Order,2023 shall also apply to any contract extensions, renewals, and/or variations made from 1st September,2024;
4. The Levy Order,2023 shall equally apply to contracts that are long-term in nature(Term Contracts) where Local Service Orders (LSOs) or Local Purchase Orders(LPOs) are raised as and when orders are made;

All suppliers to KRA should take note of the effectiveness of the Levy Order 2023 issued under the legal Notice No.206 for consideration during the price quotation when submitting procurement bids to the Authority.

All invoices where Local Service Orders (LSOs) or Local Purchase Orders (LPOs) that are raised from 1st September 2024 must include a 0.03% levy of the value signed contract, order exclusive of applicable taxes in a separate line item.

For any clarification and information, contact the undersigned office through; Deputy Commissioner – Supply Chain Management at; eProcurement@Kra.go.ke.



Humphrey Wattanga
Commissioner General