

KRA investigates irregular registration of used cars

The Kenya Revenue Authority (KRA) has kicked off an investigation into fraudulent registration of motor vehicles in a move that could affect hundreds of unwitting motorists.

In a statement yesterday, KRA warned Kenyans against a scheme where over-age vehicles are registered under false details or using number plates from foreign countries, denying the tax-man massive revenues.

“KRA has embarked on investigations to identify the perpetrators of the fraudulent scheme. It is conscious that some of these vehicles may have been sold to innocent Kenyans who are not part of the scheme,” said KRA’s Acting Commissioner for Investigations and Enforcement Edward Karanja.

“Members of the public are hereby requested to verify the status of payment of customs

duty of registered motor vehicles with the KRA before purchasing the same.”

Motorists found in possession of motor vehicles whose duty has not been paid could face a jail term of up to five years or a fine equivalent to 50 per cent of the dutiable value involved or both.

According to KRA, the irregularly registered motor vehicles are over eight years old and were imported into the country ille-

gally.

The notice comes weeks after a section of second-hand motor vehicle dealers asked Treasury to allow for the importation of vehicles that are over eight years due to shipping delays owing to the Covid-19 pandemic.

According to those familiar with the matter, importers were asked to furnish the Kenya Bureau of Standards with proof that their consignment was

delayed in the high seas by Covid-19 to qualify for the waiver.

Data from the Kenya National Bureau of Statistics indicates that new vehicle registration dipped almost 50 per cent in the first half of 2020 compared to a similar period in 2019.

Between January and June 2019, 5,168 new vehicles were registered in the country, compared to 2,648 in the first half of last year. **[Frankline Sunday]**