



**Konza
Technopolis
Development
Authority**

INVESTOR HANDBOOK

VISION

To be a leading global technology and innovation hub.



MISSION

To develop a sustainable smart city and an innovation ecosystem, contributing to Kenya's knowledge-based economy.



MANDATE

To develop Konza Technopolis as a globally competitive smart city by creating an enabling environment through utilization of ICT for socio-economic development.



STRATEGIC OBJECTIVES



Develop and manage a world-class smart city with a vibrant, safe and secure, healthy and sustainable ecosystem.



Form partnerships with other actors in the National Innovation System, to recruit, attract, and develop high-end talent as well as create relevant, and smart innovative solutions and commercialize them.



Mobilise adequate and sustainable funding to meet the Authority's mandate and changing needs of the business community and residents.



Create a strong brand and image of Konza Technopolis that will attract, facilitate and retain investors.



Ensure that the Authority has adequate institutional capacity to fulfil its mandate.



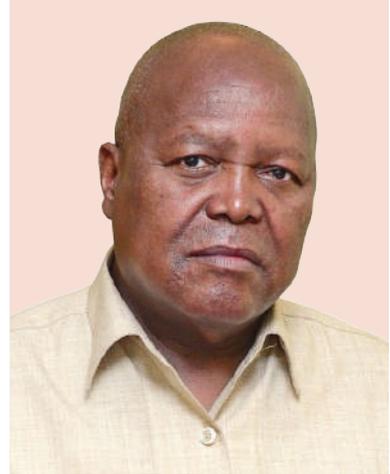


ACKNOWLEDGEMENT

The preparation of the Konza Technopolis Investment Handbook has been informed by diverse stakeholder input including Special Economic Zones Authority officials, KenInvest, and other national agencies.

FOREWORD

In 2008, the Government of Kenya approved the creation of Konza Technopolis (KT) as a flagship Kenya Vision 2030 project. KT will be a sustainable, world class technology hub and major economic driver for Kenya. The city was initially conceived to capture the growing global Business Process Outsourcing and Information Technology Enabled Services (BPO/ITES) sectors in Kenya. Africa attracts about 1% of the total revenue accruing from this growing industry since only a few African countries, including South Africa, Egypt, Morocco, Ghana and Mauritius, have made an effort to develop their BPO/ITES industries. Given the robust tech industry already in Nairobi, Kenya has a unique opportunity to capture a sizable amount of the growing global BPO/ITES industry.



The Konza Technopolis Development Authority (KoTDA) was established to manage and oversee the implementation of the Konza Technopolis Master Plan. KoTDA has since initiated the process of attracting investors and investments to Konza Technopolis following the progress made in infrastructure development in Phase One of the Technopolis.

The development of this handbook is alive to the fact that making decisions by firms about foreign operations is complex and requires an intimate knowledge of a country's operating business environment. Therefore, this handbook seeks to make it easier for prospective investors targeting Konza Technopolis by providing a quick overview of overall commercial environment (including taxation, types of business etc.) as well a detailed investment market analysis covering investment opportunities, procedures and incentives necessary to invest at KT. Further, the handbook is aimed at building the capacity of government agencies, diplomatic missions and key partners to collaborate with KoTDA to promote KT as an attractive investment destination by availing information and investment opportunities.

DR. ARCH. REUBEN MUTISO, MBS.

CHAIRMAN, BOARD OF DIRECTORS



PREFACE

The world is moving towards knowledge-based economy in which the role and significance of knowledge as an input to economic progress has fundamentally changed. According to the Organization for Economic Co-operation and Development (OECD), knowledge is now recognized as the driver of productivity and economic growth. Moreover, Konza is set up as a Knowledge city consisting of relatively large spaces for work, living, culture, lifestyle and University which allows it to be classified by the Association of Science Parks and Areas of Innovation (IASP) as an Area of Innovation. The major objectives of establishing the Technopolis are:

- 1) To position Kenya as a Knowledge-based economy and a preferred Science, Technology & Innovation (ST&I) destination.
- 2) To foster growth of the technology industry in Kenya.
- 3) To generate 17,000 direct jobs at the end of Phase 1 and have 200,000 residents in the Technopolis at the end of 2030.
- 4) To be a sustainable, world-class technology hub and a major economic driver for the nation, with a vibrant mix of businesses, workers, residents, and urban amenities.
- 5) To develop world class infrastructure and technology to facilitate research, education and business through Information Technology Enabled Services (ITES)
- 6) To attract wide-spread investment from both local and international entities to establish themselves in the new smart city.

These objectives will be met through a combination of public and private investments. Public investment will focus on horizontal infrastructure development and enabling facilities while the private sector is expected to deliver the bulk of the investment mainly the vertical development. It is therefore important that in addition to potential investors, all actors whose role is critical to the development of a



vibrant sustainable city are conversant with the opportunities and procedures to invest at KT.

This handbook is a brief of KT's operating environment and inherent opportunities. This includes an overview of Kenya's economic landscape with an emphasis on sectors that will impact investors in KT such as transport, human capital, financial services and existing private sector operations. The handbook also identifies and explains the business regulatory environment, including incentive schemes such as the special economic zones, Kenya's tax regime and other business regulations and investor protections. Further, the handbook offers guidance on the investment process to investing in Konza, identifies investment opportunities and lists existing projects and investment activity at KT. Finally, it provides a detailed guide to investing such as the master plan identifying various zones within the master plan to locate as well as, the specific incentives offered.

We will continue to update the Handbook as we receive more feedback from the users, as regulations and conditions change, and as we progress with our agenda to be a leading global technology and innovation hub. We will assist also investors in getting established at Konza Technopolis, and provide various post-establishment services.

Eng. John Tanui, MBS
KoTDA Chief Executive Officer



Acronyms and Abbreviations

AGOA	African Growth and Opportunity Act
AOI	Area of Innovation
BPOs	Business Processing Outsourcing
COMESA	Common Market for East and Southern Africa
DMCC	Dubai Multi Commodities Center
EAC	East Africa Community
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IASP	International Association of Science Parks and Areas of Innovation
ICT	Information Communication Technology
ITES	Information Technology Enabled Services
KAIST	Kenya Advanced Institute of Science and Technology
KNBS	Kenya National Bureau of Statistics
KNDC	Konza National Data Centre
KoTDA	Konza Technopolis Development Authority
KT	Konza Technopolis
KTSEZ	Konza Technopolis Special Economic Zones
OSS	One Stop Shop
PPP	Public Private Partnerships
SEZ	Special Economic Zones
SEZA	Special Economic Zones Authority
TVET	Technical, Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
VAT	Value Added Tax



Definitions

Smart City – A smart city is defined as a city that uses Information and Communication Technology (ICT) to improve operational efficiency, share information with the public and provide a better quality of government service and citizen welfare. The main goal of a smart city is to optimise city functions and promote economic growth while also improving the quality of life for citizens by using smart technologies and data analysis.

Areas of Innovation – The International Association of Science Parks and Areas of Innovation (IASP) defines Areas of Innovation as “places designed and curated to attract entrepreneurial minded people, skilled talent, knowledge-intensive businesses and investments, by developing and combining a set of infrastructural institutional, scientific, technological, educational and social assets, together with value added services, thus enhancing sustainable economic development and prosperity with and for the community”.

Science Park - The International Association of Science Parks and Areas of Innovation (IASP) defines a Science Park as, “an organization managed by specialized professionals, whose main aim is to increase the wealth of its community by promoting the culture of innovation and the competitiveness of its associated businesses and knowledge-based industries. To enable these goals to be met, a Science Park stimulates and manages the flow of knowledge and technology among universities, R&D institutions, companies and markets; it facilitates the creation and growth of innovation-based companies through incubation and spin-off processes; and provides other value-added services together with high quality space and facilities”.

Quadruple Helix – The Quadruple Helix Model of innovation recognizes four major actors in the innovation system: science, policy, industry, and society. The helices that intertwine the national innovation system are further described as; university/academia – representing the science, business/industry, the state/government that makes policy and finally a ‘fourth helix’ that we identified as the “media-based and culture-based public”. This includes, NGOs and civil society have been recognized as critical in the transfer of technologies into societies, especially in emerging economies. Interactions between these four elements in a knowledge-based economy are largely conceptualized in the form of “knowledge flows”.



Domestic Investment (DI): Refers to investment made in the economy by resident corporate entities and/or individuals. This entails the injection of new capital by starting a new business, acquiring an existing entity, or expanding in the local market.

Foreign Direct Investment (FDI): Refers to the injection of capital into a country by individuals or companies residing in other countries, either by acquiring existing enterprises in the target economy, or by starting or expanding a business in that country (re-investment). An FDI relationship arises when an investor or a business from one economy makes an investment that gives it control or a significant degree of influence on the management of an enterprise that is resident in another economy (typically 10% or more of the voting power in the direct investment enterprise).



Table of Contents

Vision	1
Mission	1
Mandate	1
Strategic Objectives	1
Definitions	4
1.INTRODUCTION	9
1.1. Handbook Rationale and Objectives	9
1.2. Konza Technopolis Development Authority (KoTDA)	9
2.KENYA AT A GLANCE	11
2.1. Operating environment	12
2.1.1. Economy	12
2.1.2. Trade and Investment	12
2.1.3. Transport	12
2.1.4. Human capital	13
2.1.5. Financial sector	14
2.1.6. Private sector	15
2.1.7. Export Processing Zones (EPZs)	15
2.1.8. Special Economic Zones (SEZ)	15
3. Business Friendly Regulations	16
3.1. Incentives through Double Tax Agreement	16
3.2. Tax Structure	16
3.3. Investment Protection and Investment Guarantees	17
3.4. Protection of Intellectual Property Rights	18
3.5. Registration of Business Entities in Kenya	18
4. INVESTING IN KONZA TECHNOPOLIS	19
4.1. Introduction	19
4.2. Ongoing Developments	19
4.2.1. The Kenya Advanced Institute of Science and Technology (KAIST) Project	19
4.2.2. Konza Digital Media City Project	20
4.2.3. Comprehensive Smart Immunization (Vaccine) Facility Project	20
4.2.4. Konza Commodities Exchange Center	20
4.2.5. Science & Technology Park Project	20



4.2.6.	Community Engagement	21
4.3.	INVESTMENT OPPORTUNITIES	21
4.3.1.	Information Communication Technology and Information Technology Enabled Services (ICT/ITES)	21
4.3.2.	Residential & Commercial Development	21
4.3.3.	Education Institutions	22
4.3.4.	Lifesciences	22
4.3.5.	Light Manufacturing and Industry	22
4.3.6.	Retail	23
4.3.7.	Hotels & Convention Centers	23
4.3.8.	Transportation & Logistics	23
4.3.9.	Energy	23
4.3.10.	Entertainment and Recreational Facilities	23
4.3.11.	Agriculture	23
5.	THE KONZA ADVANTAGE	24
5.1.1.	World Class smart infrastructure	24
5.1.2.	Konza Complex	26
5.1.3.	Special Economic Zone	27
5.1.4.	Smart City	27
5.1.5.	Master Planned City	28
5.1.6.	Availability of land.	29
5.1.7.	Secure and predictable investment environment	29
5.1.8.	One stop shop	29
5.1.9.	Accessibility	30
5.1.10.	Vibrant Innovation Ecosystem and knowledge-based industries	30
5.1.11.	Environmental Conservation and Wildlife Management	30
5.2.	Konza Technopolis Special Economic Zone (KTSEZ)	32
5.2.1.	Application for Special Economic Zone Enterprise License.	32
5.3.	Investment Incentives	33
5.3.1.	Fiscal (Tax) incentives	33
5.3.2.	Non fiscal (Tax) incentives	33
5.4.	Policy Framework	34
5.4.1.	Guiding Principles of Leasing Parcels within Konza Technopolis	34
6.	ANNEXES 1: FAQ	35



1. INTRODUCTION

1.1. Handbook Rationale and Objectives

This handbook provides an array of information to guide a potential investor wishing to invest in Konza Technopolis. The handbook takes cognizance of the fact that attraction of foreign direct investment is complex and therefore the need to package all the necessary information of the country's operating business environment including taxation, types of business, human resource capacity and strength of its nancial sector among others.

Further, the handbook provides a detailed investment market analysis about Konza Technopolis. Key among the specific information about Konza Technopolis covered in the handbook include an overview of the Technopolis, past and ongoing development including infrastructure, investment opportunities, incentives available for potential investors and procedures necessary to invest at Konza Technopolis. While the handbook is designed to facilitate smooth set up by potential investors, it also aims at building the capacity of government agencies, diplomatic missions and key partners to collaborate with KoTDA to promote KT as an attractive investment destination by availing information and investment opportunities.

1.2 Konza Technopolis Development Authority (KoTDA)

The Government of Kenya established the Konza Technopolis Development Authority (KoTDA) as a special purpose entity to facilitate the development of Konza. The mission is to develop a sustainable smart city and an innovation ecosystem, contributing to Kenya's knowledge-based economy.

KoTDA's mandate is to: -

- **Market Konza:** To establish a strong value proposition to encourage businesses to set up in Konza Technopolis and carry out any other activity that the board considers necessary for the promotion and facilitation of development of ICT products and services within Konza.
- **Manage distribution of parcels:** Lease Konza through a 21, 60 and property developers for parcel development.
- **Regulate development:** KoTDA is mandated to develop integrated infrastructural facilities, administer incentives to businesses as well as to regulate and approve activities within the Technopolis.



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- **Finance public infrastructure:** Secure funding from the Central Government to provide incentives, services and infrastructure to move Konza forward.
 - **Develop public infrastructure:** Oversee property development and fund physical infrastructure, either independently or through Public Private Partnerships (PPPs).
 - **Manage Services:** Facilitate business at Konza through expeditious and clear one-stop shop services and collaborate with appropriate governmental entities in processing investors.
 - Maintain liaison between the Government, the private sector and other Government agencies including but not limited to any specialized economic zone agency, in matters of development of the Technopolis with a view to maximizing resource utilization and benefits to the people of Kenya.
 - Liaise with relevant government institutions to promote both local and international opportunities for investment in information and communications technology and such other industrial activities of the Technopolis.
 - Facilitate and manage ICT, industrial incubation parks, and science and technology parks together with related facilities within the Technopolis and the buffer zone.



2. KENYA AT A GLANCE

The table below provides an overview of the country's macroeconomic indicators, geographical and climatic conditions, political system and administration and strength of its business environment.

NAME	REPUBLIC OF KENYA
Political system	Unitary State with Multiparty Democracy
Surface Area	580,367 KM ²
Population	47.6 million (KNBS,2019)
Density	82 per KM ² (KNBS,2019)
Time Zone	GMT +3
Languages	Swahili and English are official languages. In addition, Kenya's 44 communities have their own languages.
Climate	Kenya lies on both sides of the equator and enjoys a varied climate ranging from tropical - to temperate. The Central Highlands and the Rift Valley have the most pleasant climate, with temperatures ranging from the low teens to the mid-twenties Celsius.
Religion	Christianity, Islam, indigenous African among others
Administration	47 counties
Currency	Kenya Shillings (KES) 1US\$ = 109 KES (CBK)
GDP at Current Market Price US\$	95.5 billion (World Bank,2019)
GDP Per Capita US\$	2,000 (World Bank, 2019)
Human Development Index	143 out of 189 Countries (World Bank, 2019)
Doing Business Rank	56 out of 190 economies (World Bank, 2019)
Global Competitiveness	95 out of 141 economies (World Economic Forum, 2019)



2.1. Operating environment

This section provides a detailed account of Kenya's business environment to appraise potential investors on the necessary factors that affect operations in Kenya. The information contained is on economic outlook, trade regime, state of physical infrastructure (roads, railway, ports etc.), financial sector among others.

2.1.1. Economy

Kenya's economy is the largest in East and Central Africa and has had considerable growth in the past few years with an average growth rate of over 5%. As of 2019, Gross Domestic Product (GDP) stood at USD 95.5 billion with per capita income of USD 2,000. Kenya's Economy is distinguished from most African countries by the fact that it is one of the most resilient, diversified and advanced. Key sectors of the economy include agriculture, manufacturing, transport and storage. Although agriculture remains the mainstay of the economy at 30% of GDP, manufacturing's share of GDP has been rising significantly over the years and accounts for 10% of GDP according to Kenya National Bureau of Statistics (KNBS,2019).

2.1.2. Trade and Investment

Kenya has an open trade regime which promotes trade and investment. The country guarantees capital repatriation and remittance of dividends and interest for foreign investments. Kenya is a member of the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA) and party to African Continental Free Trade Area. Further afield, Kenya has access to the US market, provided by the African Growth and Opportunity Act (AGOA). Kenya has also signed an Economic Partnership Agreement with the United Kingdom.

The Government has made the attraction of Foreign Direct Investment (FDI) a clear policy priority and to this end established the Kenya Investment Authority (KenInvest) as a semi-autonomous agency whose mandate is to promote and facilitate domestic and foreign investments in Kenya. Kenya has seen a steady increase in FDI inflows, reaching US\$ 1.6 billion in 2018 up from US\$ 1.3 billion in 2017 and US\$ 0.7 billion in 2016 as reported by (UNCTAD,2020).

2.1.3. Transport

Kenya has ten airports with five being international airports namely Jomo Kenyatta International Airport (JKIA), Moi International Airport (MIA), Kisumu International Airport, Isiolo International Airport and Eldoret International Airport. The biggest airport i.e., JKIA, is also a major hub in East Africa handling over 11.8 million passengers and 358.7 thousand tons of cargo annually. The Port of Mombasa is Kenya's principal port, a gateway for the East and Central Africa region serving over 7 countries. In 2019, the port handled 34.4 million tons of cargo and 1.4 million Twenty-foot Equivalent Units (TEUs). Construction operations of the second commercial Port i.e. the Port of Lamu are ongoing. The port links Northern Kenya, Ethiopia and South Sudan.

In 2017, Kenya commissioned the Mombasa-Nairobi Standard Gauge Railway (SGR) connecting the port of Mombasa and Nairobi, the capital city of Kenya, providing passenger and cargo transportation. The 480km line reduced the travel time from Mombasa to Nairobi to four hours while freight trains complete the journey in less than eight hours.

Kenya road network is well developed with all major cities interconnected with good roads. Kenya National Highway Authority (KeNHA) estimates that about 70% (44,100 km) of the classified road network is in good condition and is maintainable while the remaining 30% (18,900 km) requires rehabilitation or reconstruction. The Northern Corridor which starts at port City of Mombasa through the Nairobi to the Border of Kenya and Uganda is one of the key transport routes in Kenya.

LENGTH BY SURFACE TYPE (KM)					
Road class	Premix	Surface dressing	Gravel	Earth	Total
International Trunk Roads (A)	1,244.91	1,563.81	715.11	94.48	3,618.31
National Roads (B)	350.21	1,166.26	819.29	346.14	2,681.90
Primary Roads (C)	642.89	2,198.16	3,601.64	1,552.90	7,995.59
Secondary Roads (D)	76.63	1,183.10	5,701.93	4,087.73	11,049.39
Minor Roads (E)	165.81	542.04	8,215.89	17,982.57	26,906.31
Special Purpose Roads	24.88	114.63	4,929.69	6,253.78	11,322.98
All classes	2,505.33	6,768	23,983.55	30,317.60	63,574.4

2.1.4. Human Capital

The country has the highest literacy rate (age 15 and above) in the region at 82% (World Bank, 2018). To enhance human resource capacity in the country, the government is revamping the Technical, Vocational Education and Training (TVET) sector for supply of technical skills necessary in supporting industrial growth.



The government is transforming learning in Kenya into a 21st century education system through integration of ICT in Primary Education through the Digital Literacy Programme. The programme aims at aligning integration of ICT into teaching and learning for standard one pupil in primary schools through improvement of ICT infrastructure, development of digital content, capacity building of the teachers and procurement of ICT devices. The programme has had the following outcomes; development of skills for a knowledge economy, promoting research and development, promoting locally assembled/manufactured goods and services, enhancing job creation through digital content creation, e-waste management of worn devices, and local assembly of devices, enhanced connectivity to power and the internet for the large community, and opening up participation in the education system to the community through school websites, emails, and blogs.

2.1.5 Financial sector

Kenya is the financial hub of the East and Central African regions with major Kenyan financial institutions having footprints within the region. A notable recent development has been in mobile banking where Kenya emerged as the first country in the world to launch mobile money, dubbed M-PESA. It allows users to transfer money using mobile phones. As of 2019, 83% of adult Kenyans were financially included with 98% having mobile money accounts. Kenya has an extensive and relatively well-developed banking industry, serving both the domestic and regional markets with 41 licensed commercial banks according to Central Bank of Kenya. Kenya is a leader in financial technology (fintech) in Africa, whose space is vibrant, with significant development in digital lending, digital banking, insurtech and payment services solutions. Analysis predicts that the mainstream use of fintech will continue gaining traction in Kenya.

With an asset base of KES 709 billion in 2019, Kenya's insurance industry makes a valuable contribution to national development by providing a broad range of insurance products and services. Kenya was ranked third in Africa in terms of gross premium income after South Africa and Morocco in 2019.

2.1.5.1. Capital Market

The Nairobi Securities Exchange (NSE), is one of Africa's largest stock markets with 65 listed companies. Kenya's capital market has increasingly developed new products for investors and issuers over the years as the market grows. Kenya has well-developed equity and debt market, and in early 2021 NSE launched the Derivatives market that facilitates the trading of Equity Indices and Single Stock futures contracts, with Real Estate Investment Trusts (REITs) gaining traction in the country. The Capital Markets Authority (CMA) licensed intermediaries as of June 30, 2020 include; Securities Exchange (1), Central Depositories (1), Investment Banks (16),



Stockbrokers (10), Investment advisers (14), Fund Managers (25), Collective Investment Schemes (24), Authorized depositories/Custodians (19), Credit Rating Agencies (5), Real Estate Investment Trust (REIT) Managers (9), REIT Trustees (3), Employee Share Ownership Plans (16) and Authorized Real Estate Investment Trusts (1). The industry licensees' assets increased to KSh 28 billion in 2019 from KSh 23.70 billion in 2018. (Financial Sector Regulators, 2020).

2.1.5.2. Insurance

The insurance industry comprises of 56 insurers, 5 re-insurers, 220 insurance brokers, 10, 471 insurance agents (including 26 bancassurance agents), 35 medical health insurance providers, 138 motor assessors, 144 insurance investigators, 33 insurance surveyors, 31 loss adjusters and 8 claims settling agents. There are two types of insurance businesses namely; long-term and general insurance. The general insurance business accounts for 63% of the total insurance premiums. (Financial Sector Regulators, 2020).

2.1.6. Private sector

Kenya has the most vibrant private sector in the sub-Sahara Africa which plays a leading role in development of Kenya's economy. The sector has been growing steadily and comprises of a significant number of foreign investors. The private sector has several associations, these include Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturers (KAM), The East African Business Council (EABC) and Federation of Kenya Employers (FKE) among others.

2.1.7. Export Processing Zones (EPZs)

EPZs are designated parts of Kenya that are aimed at promoting and facilitating export-oriented investments and to develop an enabling environment for such investments. Currently there are over 40 gazetted zones in Nairobi, Voi, Athi River, Kerio Valley, Mombasa and Kili in various stages of development by both private and public zone developers and operators. These zones are managed and promoted by the Export Processing Zones Authority (EPZA).

EPZs provide attractive investment opportunities for export-oriented business ventures with no restrictions on who can invest in such zones. An EPZ firm may be 100% foreign owned, 100% Kenyan owned or a combination of foreign/Kenyan ownership. The Enterprise is also allowed to bring in foreign workers for training, technical and managerial categories. The scheme also offers a wide range of attractive fiscal, physical and procedures incentives to ensure lower costs of operations, faster set up and smoother operations.

2.1.8. Special Economic Zones (SEZ)

In 2015, the Special Economic Zones (SEZ) Act was enacted to guide on the establishment and running of SEZs in the Country. The Act establishes Special



Economic Zones Authority (SEZA) for designing, approving, establishing, developing, operating, promoting and regulating an SEZ. A number of zones have been earmarked for development including:

- Free Trade Zones
- Industrial Parks
- Free Ports
- Information Communication and Technology Parks (ICT Parks)
- Science and Technology Parks
- Agricultural Zones
- Tourist and Recreational Zones
- Business Service Parks

3. Business Friendly Regulations

3.1. Incentives through Double Tax Agreement

Where there are negotiated double tax agreements between Kenya and any other state, there are usually concessionary tax rates on various categories of payments.

3.2. Tax Structure

Tax	Definition	Application	Rate	
Pay As You Earn	This is a method of collecting tax at source from individuals in gainful employment	Levied on salaries or wages.	Between 10% to 30%	
			Tax bands	Rate of tax (%)
			On the first Kshs 24,000 per month or Kshs 288,000 per annum	10
			On the next Kshs 8,333 per month or Kshs 100,000 per annum	25
On all income amounts in excess of Kshs 32,333 or Kshs 388,000 per annum	30			



Corporate Tax	This is a form of Income Tax that is levied on corporate bodies such as Limited companies, Trusts, and Cooperatives.	Levied on annual income	30% for resident corporations 37.5% for non-resident company operating in Kenya
Withholding Tax (WHT)	This is a tax that is deductible from certain classes of income at the point of making a payment, to non-employees	<ul style="list-style-type: none"> • Interest • Dividends • Royalties • Management or professional fees (including consultancy, agency or contractual fees) • Commissions • Pensions • Rent received by non-residents. 	
Value Added Tax (VAT)		Charged on supply of taxable goods or services made or provided in Kenya and on importation of taxable goods or services into Kenya	<ul style="list-style-type: none"> • 0% - for Zero rated supplies. Goods listed in the 2nd Schedule to the VAT • 8% - Petroleum oils obtained from bituminous, Motor Spirits (Diesel Super, Aviation spirit etc.) • 16% - General rate for other Goods and Services



Excise Duty	This is a duty of excise imposed on goods manufactured in Kenya or imported into Kenya and specified in the 1st schedule to Excise Duty Act, 2015.	Companies and Partnerships dealing in excisable good and services are required to pay excise duty	Rate varies depending on the goods and services
Turnover Tax	Is a tax charged on gross sales of a business as per Sec. 12(c) of the Income Tax Act	Levied on gross turnover of more than Kshs. 1,000,000 and does not exceed or is not expected to exceed Kshs 50,000,000 in any given year	1% on gross sales
Digital Market Tax	Tax payable on income derived or accrued in Kenya from services offered through a digital marketplace.	Levied on gross transaction Value	1.5% of the gross transaction value

3.3. Investment Protection and Investment Guarantees

a) Expropriation: The Constitution of Kenya provides protection against the expropriation of private property except in cases of public interest and where due process is followed. In such cases adequate and prompt compensation must be provided.

b) Dispute settlement:

- a. Arbitration and alternative dispute resolution are becoming increasingly popular in Kenya. Kenya is host to the Nairobi Centre for International Arbitration.



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- b. Kenya is also a member of the International Centre for the Settlement of Investment Disputes (ICSID), a World Bank agreement for the settlement of disputes between States and Nationals of other states.
 - c) Kenya is a signatory to the Multilateral Investment Guarantee Agency (MIGA), which insures private investment against non-commercial risks.
 - d) Kenya has signed bilateral investment treaties with several countries to protect investments.

3.4. Protection of Intellectual Property Rights

Kenya has a comprehensive legal framework to ensure protection of intellectual property rights (IPR) which includes:

1. The Anti-Counterfeit Act of 2008
2. The Trademarks Act of 2003
3. The Industrial Property Act No.3 of 2001: establishes the Kenya Industrial Property Institute (KIPI)
4. The Copyright Act
5. The Seeds and Plant Varieties Act Cap 326

Kenya is also signatory to the following protocols/conventions which further signifies her commitment in protecting intellectual rights.

- World Intellectual Property Organization (WIPO) and its various conventions and protocols
- WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- The African Regional Industrial Property Organization
- The Paris Convention for the Protection of Industrial Property
- The Patent Co-operation Treaty
- The Madrid Agreement Concerning the International Registration of Marks
- The Universal Copyright Convention

3.5. Registration of Business Entities in Kenya

The various forms of legal incorporation of business enterprises in Kenya include:

- a) Company. A company incorporated in Kenya may take the form of:
 - A company limited by shares.
 - A company limited by guarantee.
 - Unlimited company
- b) Branch office of a foreign registered company
- c) Partnership
- d) Limited Liability Partnership
- e) Sole proprietorships
- f) Societies



4. INVESTING IN KONZA TECHNOPOLIS

4.1. Introduction

The Konza Technopolis Development Authority (KoTDA) is the implementing agency for Konza Technopolis, a Government of Kenya Vision 2030 project aimed at developing a sustainable smart city and an innovation ecosystem, contributing to Kenya's knowledge-based economy.

Konza offers attractive investment opportunities for investors that will towards the attainment of contribute Kenya's ambition to be a middleincome country with a high standard of living for its people by 2030.

4.2. Ongoing Developments

4.2.1. The Kenya Advanced Institute of Science and Technology (KAIST) Project

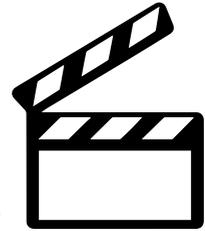
Modelled after the Korean Advanced Institute of Science & Technology, the Kenya Advanced Institute of Science and Technology (KAIST) is an institution of strategic importance. This is mainly because Science, Technology, and Innovation are considered a critical catalyst for fasttracking modernization and transformation of the Kenyan society into a middle-income country by 2030. KAIST aims to produce highly qualied scientists and engineers with both theory and practical knowledge for the future industry in Kenya and the East African region. The production of well-trained graduates in Science and Technology (S&T) will contribute to a knowledge-based economy and sustained growth with innovation. The project will conduct relevant Research and Development (R&D) and promote industrial-academic collaboration to stimulate technological and industrial transformation. This will lead to improved national competitiveness and help make Kenya an industrializing middle-income country as envisaged in Kenya Vision 2030. The KAIST project is based on the premise that S&T, as the engine of modern economic growth, can and should be harnessed to speed up Kenya's modernization. Key to this effort is generation of highly skilled engineers and scientists, who can put their knowledge and skills into industrial applications and social problem-solving activities.

4.2.2. Konza Digital Media City Project

Konza Digital Media City (KDMC) is a creative digital multi-media and cultural hub whose aim is to create a modern media ecosystem where digital media content such as gaming and animations are developed and produced for the local and global markets.



The digital media city will host multi-media training institutes, digital media content creation and production studios (gaming and animation etc.), music production, among other digital media content.



4.2.3. Comprehensive Smart Immunization (Vaccine) Facility Project

This project entails the establishment of a Smart Vaccine Production Facility at KT which will utilize smart operation technologies to develop, produce and deliver “Safe, Effective and Affordable Vaccines” for better public health in Kenya.

The facility is the anchor project in the Life Sciences band and the Pharmaceutical Park at Konza Technopolis.



4.2.4. Konza Commodities Exchange Center

KoTDA is in the process of setting up a commodities exchange, a market where various commodities are traded. Through the establishment of commodities exchange, KoTDA shall position the Centre for trading commodities within a special economic zone. The Centre shall promote and facilitate trade across a range of goods among them team, Tea, coffee, and other agricultural products.



4.2.5. Science & Technology Park Project

KoTDA is working with the Ministry of Education to establish a Science & Technology Park and an area of innovation with incubation and acceleration facilities, physical sciences and laboratory facilities, pharmaceutical, and natural products.



4.2.6. Community Engagement

Rehabilitation of boys toilet at Konza ABC secondary school



Konza is an attractive investment destination with state-of-the-art infrastructure set in a master-planned smart city. The Technopolis is the culmination of a dream to make Kenya a global center for Science, Technology and Innovation. There are unique opportunities within the ecosystem for investment in a multitude of diverse clusters and sectors, some of which are as below:

4.3. Investment Opportunities

4.3.1. Information Communication Technology and Information Technology Enabled Services (ICT/ITES)

In recognition of the role that ICT/ITES plays in the service of humanity, Konza has dedicated adequate space in the technology band for investment opportunities including Data Center locations, Investment in Big Data and Analytics, Cybersecurity, Network Expansion, Disaster Recovery, Internet of Things (IoT), Sensors Manufacturing, Medical/Health Service Support. Others include enterprise incubation as well as technology companies setting up enterprise offices/branches.

4.3.2. Residential & Commercial Development

Konza Technopolis will be home to a highly skilled workforce creating a community of over 30,000 residents in Phase 1. There is an opportunity for over 10,000 housing units within Phase 1 with an approximate gross-built area of over 1,028,000 m² in the residential and commercial development band. Residents of Konza Technopolis will require several auxiliary services such as schools, retail accommodations and entertainment venues. Small and Medium Enterprises (SME's), startups, and established businesses wishing Konza will require lettable office space.]

Investment opportunities in the residential and commercial development will include:

The infographic is a green rectangular box divided into two columns by a white vertical line. Each item consists of a white icon and a text label. The left column lists: High and Medium Density Housing (house and tall building icon), Student Housing and Hostels (school building icon), Staff Quarters (multi-story office building icon), Courtyards (umbrella and chairs icon), and Furnished Apartments (furniture icon). The right column lists: Elderly Homes (elderly couple icon), Retail Establishments (storefront icon), Shopping Malls and Centres (mall and shopping cart icon), Offices (office building icon), and Mixed Developments among others. These are developments that combine commercial and residential units in one building. (house and office building icon).

- High and Medium Density Housing
- Student Housing and Hostels
- Staff Quarters
- Courtyards
- Furnished Apartments
- Elderly Homes
- Retail Establishments
- Shopping Malls and Centres
- Offices
- Mixed Developments among others. These are developments that combine commercial and residential units in one building.

4.3.3. Education Institutions

Konza Technopolis offers a confluence of superb teaching, research, creative works and service opportunities. An area of approximately 420,000 m²/343,458 has been set aside for the education and R&D sector to support a diffusion of knowledge and facilitate life-long learning. The presence of education institutions in Konza is expected to allow a fusion of industry, academia, privat



Opportunities within the education sector include:

- Establishment of multiple university campuses and colleges
- Development of facilities for shared use
- Laboratories, Facilities, Classrooms and Administration Buildings
- Faculty and Student Housing
- Technical and Vocational Institutes
- Schools at all levels; Primary Schools, Secondary Schools and Tertiary Schools
- Research and Development facilities

4.3.4. Lifesciences

Konza has approximately 59,500 m² dedicated for healthcare facilities. These include hospitals, specialty clinics, diagnostics, bio-technology, preventive health - care, telemedicine, naturopathy and health spas, making Konza a perfect location for medical tourism.

These facilities will include incubation institutions for potential future growth into a health sciences center, which may include other treatment specialization, biomedical research and medical science education for the region.

The Pharmaceutical Park presents opportunities in R&D, production and distribution of drugs, medical equipment, supplies and consumables, food supplements and nutrition products, family care products, multi-purpose chemicals and reagents, intermediate inputs and common-use equipment among others.

4.3.5. Light Manufacturing and Industry

The light industrial zone will host hi-tech manufacturing, light assembly installations, electronics and semi-conductors' manufacture/assembly, prototyping facilities and workshops and pay-per-use services, as well as industrial support facilities including warehousing.

4.3.6. Retail

The pursuit of economic opportunities presented by the Technopolis gives rise to a vibrant retail ecosystem which presents exciting opportunities for players in this space. These include: Food and beverage, homeware and gifts, electronics, convenience stores, mobile and internet retailers, pharmacies, grocery stores, laundry shops and other retail services.



4.3.7. Hotels & Convention Centers



75,200m² has been set aside for the development of hotels and convention centers to cater for the hospitality and Meetings, Incentives, Conferences and Exhibitions (MICE) needs of the Technopolis. Konza's proximity to Nairobi, one of Africa's most vibrant cities, its excellent transport connectivity and Kenya's diverse tourism offering makes it an ideal investment destination for the sector.

4.3.8. Transportation & Logistics

As a smart green city, Konza offers unparalleled opportunities for investment in green mobility solutions to cater for the city's commuting needs. Other opportunities include: Smart transport management, Parking Solutions, Regional transit and transfer services. The inbuilt infrastructure and excellent location conveniently served by air, rail and road makes an ideal transport and logistics hub.

4.3.9. Energy

As the world moves towards green energy, Konza offers opportunities in renewable energy investments due to its excellent location, well endowed with supporting natural resources. Investment opportunities abound in areas such as production of green energy to meet the city's needs, manufacture of renewable energy equipment and devices, research and development into green energy solutions, operation and maintenance as well as training and capacity building.



4.3.10. Entertainment and Recreational Facilities

Entertainment and Recreational Facilities will improve the quality of life and enhance the overall experience of urban and neighborhood life. Opportunities include eSports, smart sports complex, events complex, theme parks, amusement centers to provide an enhanced fan and community experience.

4.3.11. Agriculture

Africa has 60% of the world's arable land. With the projected growth in the world's population, the demand for food is set to increase between 60% to 90% by 2050. Despite its immense potential in food production, Africa is a net importer of food.

African agriculture must embrace technology to feed the world. Konza offers opportunities for Urban agriculture, Agricultural research, Centers of excellence, Food Technology, Agro-processing and Value addition, manufacture of agricultural equipment and devices, and agricultural technology that can be deployed to the rest of the world.

The following are the investment opportunities available for uptake by investors.

KONZA
Technopolis

Investment Opportunities In Konza

- ICT/IT based manufacturing, products and services**
- Smart City facilities and Utilities:** Smart transport, lighting, energy, water, utilities, data among others
- Life Sciences:** Research centres, Bio-technology, Medicine, Tele-medicine, Pharmaceuticals, Hospitals among others
- Agricultural Tech Park:** Centres of Excellence, Research Centres, Food Technology, Value addition, Agro-processing
- Education sector:** Universities, Technical Institutions, Colleges and Schools
- Engineering services**
- Light Manufacturing, Industrial Parks, Logistics and Infrastructure**
- Robotics**
- Financial Services**
- Enterprise Incubation**
- Real Estate:** Residential, Commercial and Mixed Use facilities, Retail establishments, Hotels & Convention Centers
- Film, Entertainment & Recreational facilities**
- Use of Konza's world class Tier III Data Centre**

5. THE KONZA ADVANTAGE

5.1.1. World Class Smart Infrastructure

Konza prides itself of integrated world class infrastructure. Horizontal infrastructure development for Phase One (1) of the Technopolis is on course for completion in the year 2022. These include a road interchange adjoining the major Nairobi-Mombasa A109 highway and a system of attractive multimodal boulevards within Phase 1 providing access to users.

Konza is designed as a walking, biking, and transit-friendly city. A bus transit network will provide service along the main east-west axis, with provision for future extension. A transit hub next to the A109 interchange will be the primary station for Konza, with interim capacity to accommodate bus passengers and future capacity to accommodate commuter rail service to Nairobi. The infrastructure include:

5.1.1.1. Streetscapes



This entails an integrated road network with provision for motorized and non-motorized traffic, storm water drainage facilities, water distribution system, waste-water collection & treatment, electrical distribution conduits (passageways),



fibre optics conduits and landscaping of streets and parks. This is built as an integrated system with manholes to act as the offtake points for parcel servicing.

5.1.1.2.Wastewater Reticulation and Recycling System



This is Konza's phase 1 Sewerage Treatment Plant with a recycling capability of 6,000 m³ a day to cater for the city's early population.

The Water Reticulation Facility (WRF) is part of an integrated water management plan at Konza Technopolis aiming at reducing the consumption of freshwater by encouraging reuse of treated sewage effluent for non-potable purposes and maximizing the potential of resource recovery such as bio-methane and biosolids production.

The facility is designed to make use of a wastewater treatment technology known as Moving Bed Biolm Reactor (MBBR), a highly effective biological water treatment process considered one of the best water treatment solutions for high-strength water systems.



Recycled wastewater will be utilized mainly for irrigation purposes for greening of Konza Technopolis in compliance to the local and international best practices. WRF is designed to accommodate average daily flows of 36,000 m³ and a peakflow of 64,800 m³ per day.

5.1.1.3. Water Treatment Plant (WTP)

The Water Treatment Plant (WTP) consists of several water treatment methods including direct gravity sieves, chemical and ultra violet treatment to ensure provision of potable water at Konza Technopolis.

The water treatment plant is located at the highest point of Konza Technopolis to allow gravitational flow of treated water to consumers. The facility consists of 23 water treatment processes to conform with World Health Organization (WHO) and Kenyan standards. The water treatment plant is designed to receive and treat water from three main sources: Boreholes within Konza Technopolis, a river dam and a collection dam.

The initial output capacity of the WTP facility is 7.5 Mega liters per day, expandable to 62 Mega litres per day at full operation of Konza Technopolis. The system has a storage capacity of 13.7 Mega litres of treated water.

5.1.1.4. Landscaping & Parks



Konza consists approximately 79 acres landscaped into public parks, open spaces and green corridors within Phase 1. The green spaces has about 10,000 trees and 50 different site matched plant and shrub species along all roads, berm area and all parks and open spaces as well as 63,000sqm of grass, water storage and recreational ponds. It also has more than 15 km of cycling paths.

The parks and green corridors are served by a tree nursery generating over 200,000 trees, shrubs and ground covers. The Authority targets to develop a 10-million smart tree nursery that leverages technology and increased sustainability from an earmarked 50 acres nursery for use within Konza Technopolis, surrounding communities, urban areas and degraded forests as is in line with the national goal to attain the 10 % constitutional tree cover by 2022.

5.1.1.5 Electrical System & ICT Conduits

Konza has an electrical system covering approximately 40 km of power lines, construction of 1 main electrical station and 54 electrical substations and installing ICT conduits covering about 500 km zones.

5.1.1.6 Public Facilities

These are utility facilities including a Solid Waster Handling Facility; a security command centre and a re station; construction of an entrance and security entrance facility; and a welcome centre.

5.1.2. Konza Complex



This is the Authority's corporate headquarters and the first building at Konza Technopolis. The Konza Complex is a stimulus project for Konza Technopolis, and it comprises of an Office Block, Conference Facility and Hotel Block.

The Office Block consists of a 9-floor Complex, with two basement parking floors serving as the Authority's Headquarters since March 2020, with additional office space to accommodate anchor tenants, investors, and innovation community. The office complex sets pace for the planned sustainable developments and enables national government presence at Konza Technopolis site to facilitate implementation, administration, and operationalization of infrastructure projects as well as private investments. It is also key to the early realization of the Live, Work and Play goals of the city.

The Conference Centre is a premier facility hosting a model Huduma Centre and Smart City Exhibition Spaces for local and international partners.

Hotel Block

The Authority is keen to develop a hotel under the Konza Complex hotel wing. The hotel wing is expected to support efforts to position Konza Technopolis as a Meetings, Incentives, Conferences and Exhibitions (MICE) destination. The hotel is needed to provide the following services to complement the Konza conference facilities: -

- Core services (Accommodation and amenities supporting accommodation)
- Facilitating services (Food and beverages services)
- Entertainment

The objective of establishing the hotel block is to provide hospitality services and accommodation for the city's early residents at Konza Technopolis.

5.1.3. Special Economic Zone

Konza Technopolis is a Special Economic Zone where investors enjoy incentives as stipulated in the SEZ Act of 2015. Prospective firms will operate under one license aimed at minimizing bureaucracy and administrative procedures. Additionally, operating firms will enjoy various fiscal and non-fiscal incentives as provided for in the SEZA Act of 2015 leading to reduced cost of investment and operations.

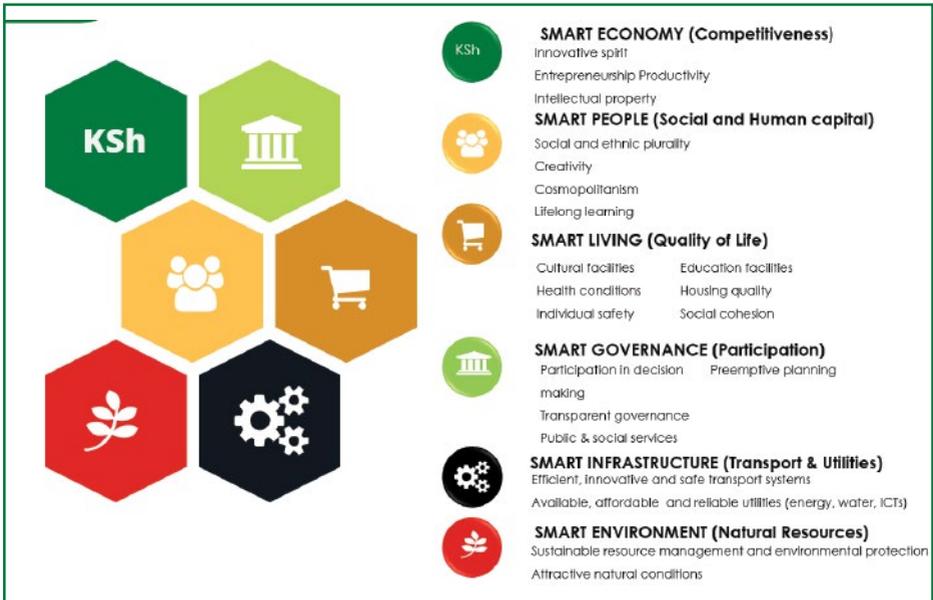
5.1.4. Smart City

Konza smart city will incorporate the use of Information Communication Technology leveraging on human and social capital to develop a self-sustaining city with an integrated urban information and communication technology (ICT) network. This will support the delivery of connected urban services and allows for efficient management of those services on a large scale. The Konza National Data Centre is a Tier III, Uptime Certified on a 3068 M2 of build-up area and additional 654 M2 of whitespace. The data centre as implemented has government cloud (to support



private business enterprises and smart city facilities) with a total of 180 racks and 1.6 petabyte (PB) of storage capacity.

Specifically, the smart city framework will integrate the following six key city services:



5.1.5. Master Planned City

Konza Technopolis is planned as a mixed-use, high density walkable city that accommodates a diversity of programs and districts. Planning has taken cues from successful global urban centers which are specific to the needs of Kenya and the region. The master plan sets the framework for a city that functions both globally and locally, today and in the future by ensuring that there is a well-coordinated service delivery e.g. smart transport and parking, provision of utilities with minimal disruption. The master plan allows for clustering of industries to leverage on synergies across bands.



5.1.6. Availability of land

The Technopolis sits on 5,000 acres of land owned and managed by KoTDA and is readily available for lease to potential investors for the specific land uses as stipulated in the Technopolis master plan. The land lease period for Konza is 21 years and below for short term lease and 60 or 90 years for long term leases.

Additionally, a 10-kilometer radius buffer zone has been created around the Technopolis to provide a framework to ensure harmonious development between the Konza Technopolis (KT) and its immediate environs in order to enhance the value of the investments envisaged in the Technopolis.

5.1.7. Secure and predictable investment environment

Konza as a master planned city has set up development guidelines that ensure certainty of investments. In addition, the Authority has also developed an integrated security system to ensure safety of the entire city.

5.1.8. One stop shop

The One-Stop-Shop is an Information Hub and customer/public service interface for all customer-needs such as business licensing, economic development, and land use planning/ development permitting. The One-Stop-Shop is a central nexus and support interface for investment and business endeavors within KT. The One-Stop-Shop will bring together all services under one roof for onboarding and aftercare services.



It will provide an office where individuals wishing to invest at Konza Technopolis may easily be oriented, apply licenses as required, and coordinate with the relevant government agencies in the development control and permitting processes.

5.1.9. Accessibility

Konza Technopolis offers excellent accessibility within Kenya and the rest of the world through road, rail and air transport.

Konza is located 60 kilometers south of Nairobi, the Capital City of Kenya and 47km from Jomo Kenyatta International Airport (JKIA), the East Africa's largest airport with over 120 passenger planes daily and over 60 destinations across the world. Konza is well connected through the Nairobi-Mombasa A8 highway (dualled) and the Metre gauge railway, which connects directly into the city. Konza also has good proximity to the new Standard Gauge Railway, which connects the city to Mombasa, Kenya's second largest city and the busiest port in the Region.

5.1.10. Vibrant Innovation Ecosystem and Knowledge-based Industries

Konza Technopolis is a leading technology and innovation hub and a major economic driver for the nation with a fusion of highly skilled and innovative human capital, research & development institutions, and commercial enterprises forming a vibrant special technology and innovation ecosystem. Konza aims to stimulate knowledge and innovation activities, in three key clusters: engineering, life sciences and Information Communications Technology and support their commercialization. The main elements of the ecosystem include Universities, Research & Development Centers, pre-incubation facilities, incubation centers/labs, research Centers of excellence, acceleration centers /labs, among others.

To achieve this, the Authority has established a Konza Innovation Ecosystem Initiative (KIEI), a programme bringing together various stakeholders - Academia, Industry, Government and Civil society - to help drive Knowledge Economy and Innovation pillar of the Technopolis. The initiative runs the Konza Tech Forum, a week-long activity encompassing a Kids Bootcamp and Innovation challenge.

5.1.11. Environmental Conservation and Wildlife Management

5.1.11.1. Greening of Konza Technopolis

This is to make Konza Technopolis environmentally friendly and safe for human habitation by promoting environmental conservation and wildlife management in accordance with the internationally acceptable standards for smart cities. The Authority has undertaken biodiversity management assessments and established a greening program including establishing a tree nursery within Konza Technopolis with a capacity to produce 10,000 trees seedlings, 65,000 shrubs and 200,000 ground covers.





The Authority further plans to leverage on technology to establish a smart tree nursery and increase the capacity to generate 10 million seedlings per year for increased sustainability. In this regard, the Authority has allocated 50 acres of land to set up the tree nursery, raising the capacity to generate up to 20 million seedlings per year for use within Konza Technopolis Phase 2 and 3, surrounding communities, urban areas and degraded forests in line with Presidential Directive on accelerated tree planting to attain the 10 % tree cover by the year 2022.

5.1.11.2 Wildlife Management

The Authority is working with the Kenya Wildlife Service to conserve wildlife within Konza whilst ensuring the Technopolis is safe for residents.

5.2. Konza Technopolis Special Economic Zone (KTSEZ)

Konza is a Special Economic Zone (SEZ) and therefore investors enjoy incentives as stipulated in the SEZ Act of 2015 (www.sezauthority.go.ke). The Authority is in possession of the following licenses:

- **Developer license:** - KoTDA has been licensed to undertake the development and management of integrated infrastructure facilities including master planning horizontal infrastructure, water, electrical, mechanical, building, ICT and industrial park works under SEZ.
- **Operator license:** - KoTDA has been licensed to undertake the business of management and operation of Konza Technopolis special economic zone which includes: Development control, marketing, tenant, and occupancy facility administration and management of rent/lease collection.
- KoTDA will facilitate issuance of an Enterprise License to prospective firms to carry out activities within the Konza special economic zone.



5.2.1. Application for Special Economic Zone Enterprise License

To operate under special economic zone an investor requires an Enterprise License issued by Special Economic Zone Authority (SEZA):

1. **STEP 1** - Investment Enquiry: Determine SEZ activity.
2. **STEP 2** - SEZ Investment Project Proposal Form: Prospective Investor is issued with Investment Project Proposal Form to fill for the Authority to provide advice where necessary.
3. **STEP 3** - Formal Application: Investor is issued with the SEZA Enterprise License Application Form to fill. Investor is expected to attach documents as per the SEZA Enterprise License Application Form. Application Fee of US\$ 150 is required.
4. **STEP 4** - Appraisal/Review of Application is undertaken.
5. **STEP 5** - Approval in Principle: Once application satisfies requirements, an approval letter is addressed to the applicant providing a set of instructions to allow the Authority to finalize licensing. A letter of No Objection is written to the Business Registration Service (BRS) to enable investor to register/incorporate an SEZ company in Kenya.
6. **STEP 6** - Incorporation of New SEZ entity. Incorporation of the New SEZ Entity is carried out by the Business Registration Service (BRS)/ Registrar of Companies.
7. **STEP 7** - Issuance SEZ Enterprise License. An SEZ Enterprise License is issued to the newly Incorporated SEZ Company after payment of Annual License fee at US\$ 1,000 and fulfilling the following requirements:
 - a. Investment Agreement and the Land Lease Agreement from the SEZ Developer/Operator.
 - b. NEMA license.
 - c. Incorporation of an SEZ Company.
 - d. CR 12 Form for the new incorporated SEZ Company.
 - e. Bank reference letters of the directors of the new incorporated SEZ Company.
 - f. Fulfilling any other registration conditions given at this stage relating to business activity such as Pharmacy and Poisons Board etc.
8. **STEP 8** - Apply online for Company PIN.



5.3. Investment Incentives

As a SEZ enterprise licensee, one will be eligible to benefit from incentives stipulated in the SEZ Act of 2015 include procedural, fiscal and world class infrastructure.

5.3.1. Fiscal (Tax) incentives

TAX HEAD	TAX CHARGE
Corporate tax	10% for the first 10 years after start of operation. 15% for the next 10 years. 30% for the subsequent years.
VAT	The supply of goods or taxable services to an SEZ is perpetually VAT exempt.
Stamp duty	Perpetual exemption from stamp duty on any executing documents or instruments relating to the business activities of SEZ Enterprises, Developers and Operators.
Withholding Tax	WHT rate of 5% on all payments by the SEZ enterprise, developer or operator to non-resident persons.
Investment deduction	Investment deduction of 100%. This is applicable on all construction of a building and purchase/ installation of machinery for use by a SEZ enterprise.
Excise Duty	Excise Duty Excise Duty is perpetually exempt.
IDF/RDL	Perpetual Exemption from payment of IDF and RDL.

5.3.2. Non fiscal (Tax) incentives

a) Exemption provided under the SEZ Act include:

- Exemption from rent and tenancy controls.
- The provisions of the Foreign Investments and Protection Act relating to certificate for approved enterprise.
- The provisions of the Statistics Act. An Act of Parliament to provide for the establishment of the Kenya National Bureau of Statistics for the collection, compilation, analysis, publication and dissemination of statistical information, and the co-ordination of the national statistical system, and for connected purposes.
- Exemption from the payment of advertisement fees and business service permit fees levied by respective County Governments' Finance Acts.
- Exemption from general liquor licence and hotel liquor licence under the Alcoholic Drinks Control Act, 2010.
- Exemption from manufacturing licence under the Tea Act.
- Exemption from filming licence under the Films and Stages Plays Act.
- The licenced SEZ enterprises shall be entitled to work permits of up to 20% of their full-time employees.



5.4. Policy Framework

KoTDA has developed policies and legal frameworks to guide the Authority in leasing of parcels to investors in an open, transparent and fair manner.

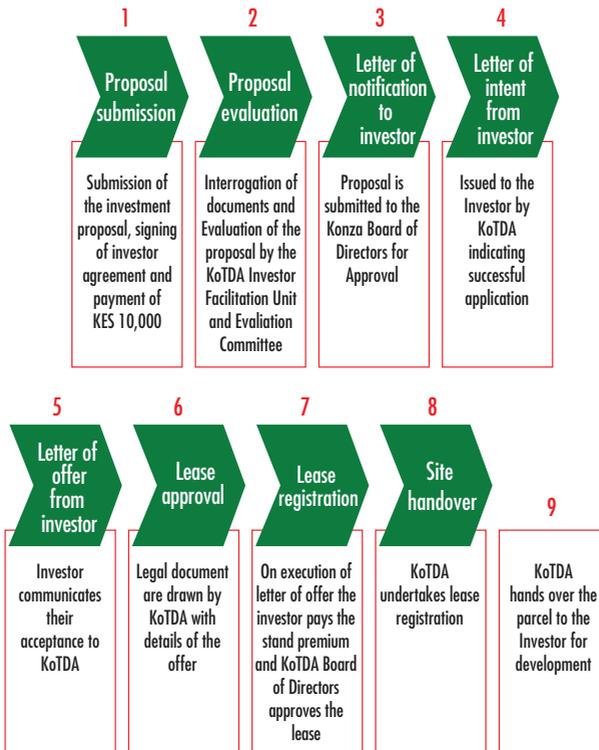
5.4.1. Guiding Principles of Leasing Parcels within Konza Technopolis

All Parcels leased out by KoTDA, are anchored on guidelines set forth in the masterplan and governing policies and procedures.

The Parcels are transferred to investors through a Short-Term Lease or Long-Term Lease issued by KoTDA. The Leases granted by KoTDA are subject to user and development guidelines as per the masterplan and the Vision of the Technopolis.

All Leases are granted in a manner consistent with accepted conveyancing practices in Kenya, the Land Laws and in accordance with all applicable legislation.

Konza Technopolis has a clear and seamless on-boarding process that is supported by the One Stop Shop. The on-boarding process is as below: -



6. ANNEXES 1: FAQ

On Land

1. Can I own land within Konza Technopolis?

There will be no individual land ownership in Konza. However, the land will be leased for the specific land uses as stipulated in our master plan.

2. What are the costs of owning land in Konza?

Since there is no individual ownership of land in Konza, there will be no costs of purchasing land. However, lease rates and other taxes will apply at an amount to be determined by the Authority. The Authority reserves the right to revise the land rates in Konza.

3. What is the size of land that one can hold in Konza?

There are no fixed sizes for individual parcels. The sizes for the parcels of land will differ depending on the planned land use as is stipulated in our Master Plan.

4. How long is the lease period?

The current land lease period for Kenya applies for the Konza Technopolis parcels.

5. Is the lease transferable?

The land lease for Konza is only transferable under special circumstances that will have to be approved by the Authority.

6. If I want to lease land in Konza, who should I contact?

All you need to do is register a written Expression of Interest on investing in Konza with the Authority. Your interest will be evaluated when the ground is set ready for constructions. This document should furnish the Authority with:

- Who you are
- What you do
- Track record of achievements
- Certifications
- The intended investment

7. Are there any special requirements for me to be qualified for land lease?

There are no special requirements. However, compliance to Authority's requirements and the Kenyan Laws and Regulations is mandatory.

Off-site

1. What is the 10-kilometer radius Buffer Zone around the Technopolis?

The 10-kilometer radius Buffer Zone refers to the privately owned areas of controlled investment which are adjacent to the Technopolis. Currently, any further subdivision of land or constructions in these areas has been frozen.

2. How can I know that I am on the Buffer Zone?

The approved Buffer Zone plan by the Ministry of Lands, Housing and Urban Development shows the areas that are considered as within the Buffer Zone. The plan can be obtained at the Ministry of Land, Housing and Urban Development or at the KoTDA website (www.konza.go.ke).

3. What are the regulations governing the development or subdivision of the parcels of land within the Buffer Zone for purposes of selling, inheritance, renting, or farming?

At the moment, any further subdivision of land or construction has been frozen by the Ministry of Lands, Housing and Urban Development. Any such development should seek for approval first.

4. If in the future, my land is consumed up by the Authority in expanding the Technopolis. Will I get refunded?

The Technopolis lies within the confines of the 5,000 acres of land. Any expansion of the Technopolis by the Authority in future will follow the legal procedures.

Finance FAQs

1. What is Konza Technopolis?

Konza Technopolis is a sustainable, world-class technology hub and a major economic driver for the nation, with a vibrant mix of businesses, workers, residents and urban amenities. It aims at strategically positioning Kenya as a global destination for Business Process Outsourcing and Information Technology Enables Services (BPO/ITES) and propels Kenya into a mid-income economy by 2030.

2. How can I invest in Konza?

Konza Technopolis offers a wide array of investment opportunities to investors. Our investors are drawn both locally and internationally. These are individuals, corporate, companies, partners, and Governments who have expressed interest in being part of this mega Project. We have various investment models that are best suited for you, all you need is to get in touch with us through our contacts.

3. How much do I need to invest in Konza?

There is no set amount to qualify you as an investor. Konza Technopolis is a city with a vibrant mix of business opportunities, workers, residents, and urban amenities. This means that our investors are drawn across the economic pyramid.

4. What are the investment opportunities in Konza?

The investment opportunities in Konza include but are not limited to the following opportunities:

- Science Parks, Business Process Outsourcing (BPO) centre, Data centre
- Commercial office space, and hotels



- Real estate residential properties
- Large scale commercial shopping malls e.g. Mall of Africa
- Recreation and entertainment venues e.g. Sports stadium
- Film and Media centre
- Financial District
- Community support services including:
- Health clinics,
- Green space,
- Educational institutions,
- Houses of worship e.t.c.
- University, Research Centre and Convection Centre
- Transportation Infrastructure
- World Class ICT infrastructure
- Utilities, Roads, and other infrastructure

5. How do I channel my resources for investing in Konza?

Send us your expression of interest on your preferred area of investment. This should detail the following information:

- Who you are
- What you do
- Track record of achievements
- Certifications
- The intended investment

We will evaluate your interest and communicate to you on how best you can channel your resources and be part of the Project. However, Public-Private Partnerships is encouraged for some specific areas e.g. infrastructure

6. What incentives do I get when I choose Konza?

Discussions are ongoing with the National Treasury go have the following incentives to investors in Konza, here are the part of the proposed incentives:

Potential Financial Incentives

- Corporate Income tax exemption
- Stamp Duty exemption
- Employment-based grants
- Tax policy to encourage headquarters establishment
- VAT and Duty-free import of materials for business purposes
- Revisions to existing depreciation policies

Potential Regulatory Policies

- Expedited company incorporation
- One-stop shop
- Single window clearance
- Easing of restrictions on foreign ownership and employment





DATE:

KONZA TECHNOPOLIS ENTERPRISE

DEVELOPER PROPOSAL

PART A: GENERAL INFORMATION – ORGANIZATION, EXPERIENCE AND CAPACITY

PROPOSAL UNIQUE ID * *KoTDA to provide*

COMPANY NAME / ORGANISATION NAME

ADDRESS

WEBSITE

CONTACT PERSON (NAME)

PHONE

EMAIL

QUALIFYING ACTIVITY CLASS (e.g. Real estate & construction, Human Health)

QUAIFYING ACTIVITY (e.g. medical & dental practice activities, city support services)

OVERALL PROJECT DESCRIPTION

ALIGNMENT WITH KONZA TECHNOPOLIS GOALS & OBJECTIVES

CONFORMANCE TO KONZA TECHNOPOLIS DEVELOPMENT GUIDELINES

CONFORMANCE TO KONZA TECHNOPOLIS SUSTAINABILITY FRAMEWORK

COMMENCEMENT OF CONSTRUCTION

COMPLETION OF CONSTRUCTION

PROPOSED TENANCY DURATION (YEARS)

LEGAL STATUS Is the organization (company, partnership, society, foundation, non-profit organization, government entity, international entity) formally incorporated or validly existing in Kenya or in any other jurisdiction?

GOVERNANCE AND MANAGEMENT (Attach organogram to illustrate organizational structure)



ACCOUNTING AND AUDIT POLICIES

OVERSIGHT

ENSURING ACCOUNTABILITY

RISK MANAGEMENT

TECHNOLOGY USE

SHAREHOLDING

CAIPTAL

ADDITIONAL INFORMATION (appears for private companies)

ADDITIONAL INFORMATION (appears for public companies)

SKILL AND EXPERIENCE

STRUCTURE OF THE BOARD (attach profiles/cv)



REGULATORY JURISDICTION

LOCAL EXPERIENCE OR INTERNATIONAL EXPERIENCE OR SKILL AND EXPERIENCE OF PRINCIPAL SHAREHOLDERS.

FUNDING

RESOURCES REQUIRED IN KENYA

PROJECT SCHEDULE

INVESTMENT IN KENYA

MEETING FUNDING REQUIREMENT

EXTERNAL OR LOCAL DEBT FINANCING

PUBLIC PARTBERSHIPS

DONATIONS OR GRANTS

PART B: LAND USE/SITE PLAN AND ECONOMIC VALUE PROPOSITION

PARCEL LAND USE GROUP (PLUG) (e.g. mixed use, retail, school playground etc)



DESIRED PARCEL (S)

SITE DEVELOPMENT PLAN (attach/provide file – any drawings, description, or plans)

SUSTAINABILITY STRATEGY

NATURE OF JOBS

NUMBER OF POST GRADUATE LEVEL JOBS

NUMBER OF GRADUATE LEVEL JOBS

NUMBER OF DIPLOMA JOBS

NUMBER OF OTHER LEVEL JOBS

NUMBER OF UNSKILLED JOBS

SUB-CONTRACTING CAPACITY



POSITIVE SOCIAL IMPACT

COMMUNITY BASED PROJECTS

SCIENTIFIC, TECHNOLOGICAL AND ENVIRONMENTAL INNOVATION

BENEFITS OF THE INNOVATION

ADVANCES IN TECHNOLOGY

INVENTIVENESS

KNOWLEDGE TRANSFER PLANS AND STRATEGIES

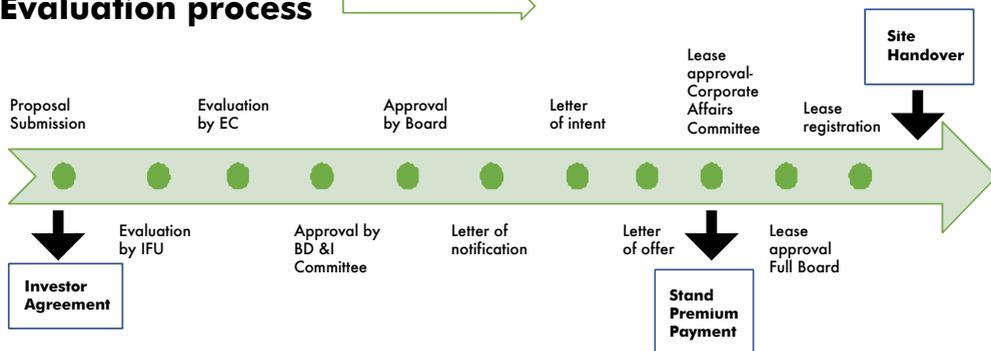
INTERNSHIPS AND/OR APPRENTICESHIP

COLLABORATIVE RESEARCH AND DEVELOPMENT

SPECIALIZED SKILLS OR TRAINING



Evaluation process



- a. Expression of interest
- b. Site visit/parcel identification

Parcel allocation process:

1. Signing of Investor Agreement. (Payment of KES 10,000 facilitation fee)
2. Proposal Submission.
3. Evaluation by Investor Facilitation
4. Evaluation by an Ad-hoc Evaluation Committee
5. Approval by Board.
6. Letter of Notification, intent and offer letter
7. Payment of Stand Premium.
8. Lease registration
9. Site handover.

Konza Technopolis

Phase 1 Key Maps - Rev01*

Parcel within Defined Phase 1 Footprint



- Green Transit Corridor
- Main Street



Parcel Use Zone (1st letter of Parcel No.)

I	Light Industrial	3
H	Housing	5
A	Agricultural Research	6
U	University	14
E	Education	8
R	Residential	20
M	Mixed Use	10
T	Technology	34
P	Park	8
C	Commerical	22
W	Welcome / Entrance	3
X	Special Use	12
Total Parcel Count		145

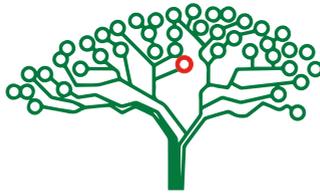
Second letter of parcel number designates if the parcel is north (N) or south (S) of the Green Transit Corridor



DOCUMENT	REQUIREMENT STATUS
Legal	
Non-Disclosure Agreement (to originate from KoTDA)	Mandatory
Certificate of Incorporation	Mandatory
Articles of Association and all amendments thereto	Mandatory
Memorandum of Incorporation	Mandatory
CR12 and any other statutory document giving details of directors (doc should be current)	Mandatory
Tax Compliance Certificate ** or its equivalent depending on the registration of the company/parent company The TCC to be current / not expired	Mandatory
Firm Profile	Mandatory
Organizational Chart	Mandatory
Detailed profile of all current Directors	Mandatory
Resolutions of Board of Directors approving the intention to invest in Konza Technopolis. (Must be signed by two senior officers to bind the company)	Mandatory
Copies of all the statutory and regulatory approvals (certificates, licenses and/or permits) requested by the organization to carry out business (current docs)	Mandatory
List of subsidiaries, if any, and place of incorporation	Mandatory if applicable
A business plan for the proposed qualifying activity in Konza Technopolis	Mandatory
Any voting trust agreements, buy/sell agreements, stockholder agreements, warrant agreements, proxies, or right of first refusal agreements	Mandatory if applicable
Convertible debt instruments	Mandatory if applicable
Know Your Customer Form	Mandatory
Financial	
Audited financial statements for the last 3 years	Mandatory
Tax Compliance Certificate and any statutory requirements	Mandatory



Copies of any valuations of the company's stock	Mandatory if available
Evidence of sources of finance for the investment / details of financing source for the project and evidence of the same	Mandatory
Financial or operating budgets or cashflow projections for next one year	Optional
Application for a Parcel: provision of above docs, including:	
Initial Expression of Interest (email/letter to the attention of KoTDA's CEO)	Mandatory
Parcel identification	Mandatory
Completion of The Investor Agreement	Mandatory
Payment of a non-refundable application fee (Kes 10,000)	Mandatory
Completion of an application form that is filled on-line and submission of all documents	Mandatory
Site development plan	Mandatory
Legal Due Diligence form (to originate from KoTDA)	Mandatory
All documents are to be certified as true copies of originals	
a) People who can certify documents are asbelow (Please include names, contacts, designation, registration numbers, date and details of the certifying persons among others)	
i) A Certified Secretary registered with the Institute of Certified Secretaries of Kenya;	
ii) A Certified Public Accountant, registered with the Institute of Certified Public Accounts of Kenya; or,	
iii) A Magistrate, Judge or such other Presiding Office in the Judiciary of Kenya.	
iv) Notary Public.	
All documents are to be current/not expired	



KONZA
Technopolis

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Disclaimer:

To the effect whoever are urged to carefully read the provision of this booklet and accompanying documentations therein. Where there are any variations between the contents of the booklet and the substantive law, the provisions of the substantive law prevail.