

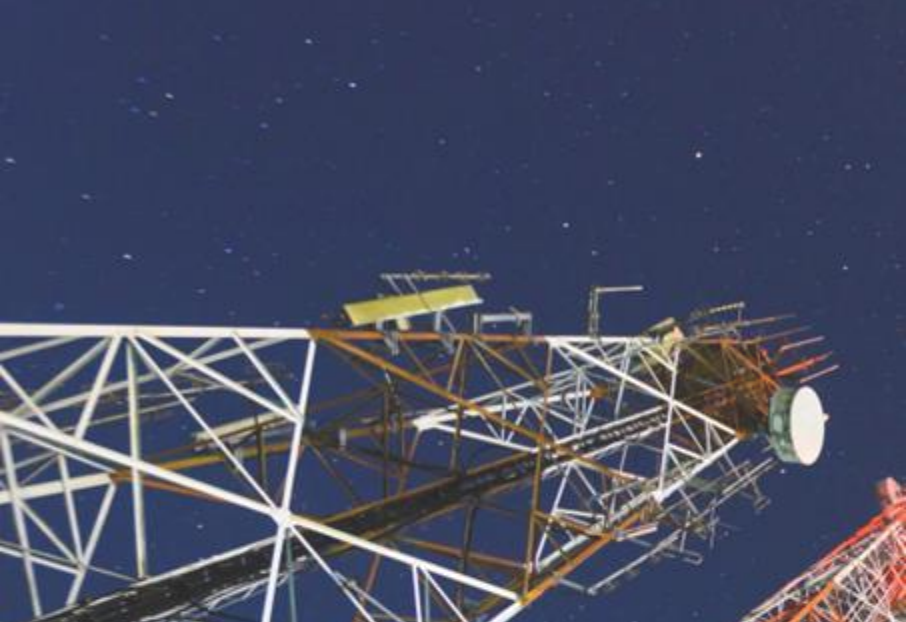
# **Airtel Networks (Kenya) Limited**

**Oral Submissions to the National Treasury  
Committee on Finance and National Planning**

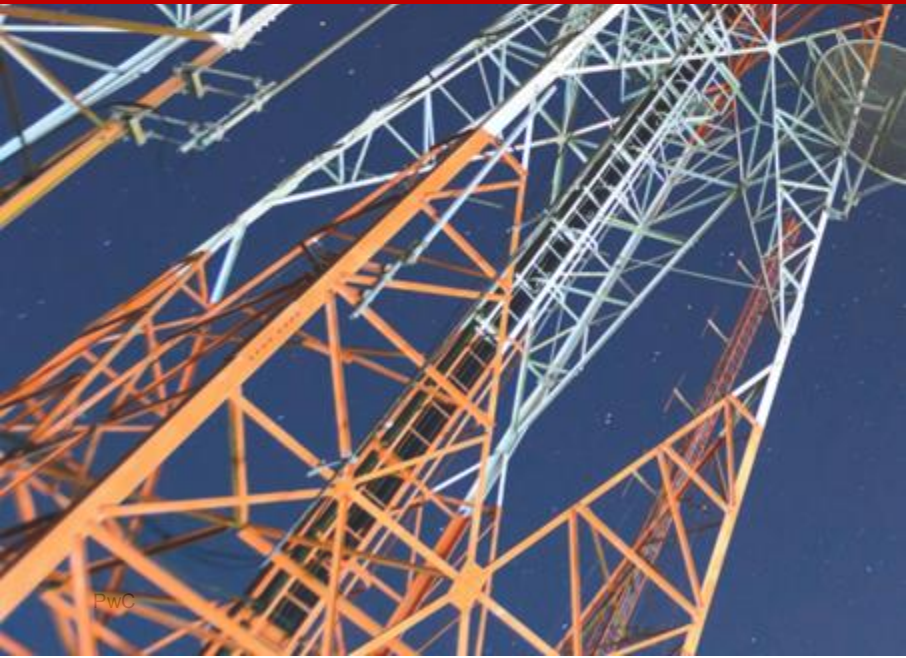
**Finance Bill, 2025**

29 May 2025





# Agenda



Item	Page
About Airtel Networks (Kenya) Limited	3
Detailed Submissions on Tax Proposals	4
Q&A	7

# About Airtel Networks Kenya Limited



01

## Who are we

- ✓ Airtel is a major telecom and mobile money provider in 14 African countries.
- ✓ **Second-largest mobile operator** in Kenya, serving **20.7 million subscribers** and holding **29.6% market share**.

03

## Contribution to the Economy

- ✓ Airtel Kenya has invested nearly **USD 1 billion**, significantly boosting the country's telecommunications infrastructure and economic development.

02

## Contribution to Digital Transformation

- ✓ By January 2025, Airtel Kenya had expanded its network to **4,200 sites**, including **688 5G sites**.

04

## Contribution to the Financial Sector

- ✓ Airtel Money is transforming Kenya's financial landscape by offering secure, affordable digital services, with growing penetration and agent network.



# Proposal 1: Investment allowances on Spectrum licences



## Issue

Telecommunication companies invest substantial capital in securing spectrum licenses, yet they are currently ineligible to claim investment allowances on these expenditures under existing tax provisions.

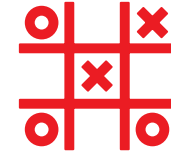


## Proposal

Insertion of the words “or spectrum license” immediately after “fibre optic cable” under paragraph 1 (i)(c) of the Second Schedule of the ITA.

Furthermore, insert the following words in the proviso to Paragraph 1, immediately after (l):

*“(m) In the case of the spectrum license purchased or acquired prior to 1 July 2025, the deduction shall be restricted to the unamortised portion over the remaining useful life of the spectrum license”.*



## Justification

- ✓ Driving National Digital Transformation
- ✓ Need for policy reform
- ✓ Regional precedents such as in Uganda and Tanzania

# Proposal 2: Carry Forward of Tax Losses



## Issue

### Clause 8(c) of the Finance Bill, 2025

Section 15(4) of the Income Tax Act

Proposal to limit the carry-forward period of tax losses to five years, effective 1 July 2025.

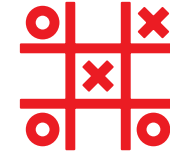


## Proposal

Retain Section 15 (4) of the ITA as is;  
OR amend as below:

*“(4) Where the ascertainment of the total income of a person results in a deficit for a year of income, the amount of that deficit shall be an allowable deduction in ascertaining the total income of such person for that year and the succeeding **nine years** of income.*

*(5) Notwithstanding subsection (4), the Minister may, on the recommendation of the Commissioner, extend the period of deduction beyond **ten years** where a person applies through the Commissioner for such extension, giving evidence of inability to extinguish the deficit within that period.”*



## Justification

- ✓ Erosion of investment viability in capital intensive sectors
- ✓ Undermining investor confidence and predictability
- ✓ Contradiction of national investment and industrialization goals



# Proposal 3: Enhanced Investment Deductions



## Issue

### Clause 27 of the Finance Bill, 2025

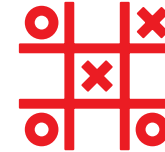
Paragraph 1A and 1B of the Second Schedule to the Income Tax Act

Proposal to remove the enhanced 100% and 150% investment deductions previously available for significant capital investments made outside Nairobi and Mombasa counties, and for investments in special economic zones.



## Proposal

We propose that this proposal be removed, and the enhanced investment deductions currently provided under Paragraph 1A and 1B of the Second Schedule to the ITA be retained.



## Justification

- ✓ Enabling Equitable infrastructure development
- ✓ Supporting National Digital Transformation Goals
- ✓ Preserving Kenya's Regional Competitiveness

# Q&A Session



Thank you!

