



## NAIROBI INTERNATIONAL FINANCIAL CENTRE (NIFC)

### INTRODUCTION

**T**he Nairobi International Financial Centre (NIFC) is a strategic initiative under Kenya's Vision 2030, aimed at positioning Nairobi as a leading regional financial hub. It creates a streamlined, high-function environment for managing financial services both in Kenya and across the region, attracting global capital while promoting domestic investment and job creation.

Certification by the **NIFC Authority** is required for firms wishing to operate under its framework. This application involves a documentation checklist and formal vetting process. Domestic and foreign firms are eligible, though regulated financial businesses must still secure licenses from relevant regulators.

Qualified activities include finance and banking including mobile/Islamic banking, investment and corporate finance, insurance/reinsurance, asset/fund management, advisory/investment services, payments, pensions, broking and credit operations.

### 1. Tax Incentives

#### Dividend Withholding Tax Exemption

Dividends paid by a company certified by the Nairobi International Financial Centre Authority where the company reinvests at least two hundred and fifty million shillings in Kenya, in that year of income, may enjoy a withholding tax exemption on dividends.

#### 2. Reduced Corporate Income Tax (CIT)

**Large investors:** Companies investing KES3 billion in the first 3 years pay 15% CIT for first 10 years. Conditions include:

- 70% of senior management must be Kenyan citizens (for holding companies),
- Or 60% local nationals in senior roles, if the regional headquarters are located in Kenya.

**Startups:** Certified NIFC startups qualify for 15% CIT for three (3) years, then 20% for next four (4) years.

## Capital Gains Tax (CGT) Reduced Rate

When a certified firm:

- Has invested at least three billion shillings in at least one entity incorporated or registered in Kenya within a period of two years; and
- The transfer of the investment is to be made after five years of the date of the investment;

the applicable rate is five per cent (5%).

## Carbon Market Operators

In respect of a company operating a carbon market exchange or emission trading system that is certified by the Nairobi International Financial Centre Authority, the CIT rate is fifteen per cent for the first ten years from the year of commencement of its operations.

## Conclusion

At CM Advocates, we have a vibrant team of lawyers who can help you not only register the company but also assist in the setting up processes.

This we do through the provision of registered office services, company secretarial services, business licensing services, tax advisory as well as employment and labour law advisory among other services.

Additionally, our Immigration team will assist any foreign directors or employees procure the relevant permits or passes as the case may be.

## AUTHORS



**Caiphas Chepkwony**  
**Associate Advocate**  
Email: [cchepkwony@cmadvocates.com](mailto:cchepkwony@cmadvocates.com)  
Tel: +254 716 209673

CM Advocates LLP



**Tabitha Muchiri**  
**Tax Associate**  
Email: [tmuchiri@cmadvocates.com](mailto:tmuchiri@cmadvocates.com)  
Tel: +254 741 410019

CM Advocates LLP

## CONTACT US

If you would like to consult on this article or any other legal issue you may contact the contributors on the emails below or the commercial team through:

**[commercial@cmadvocates.com](mailto:commercial@cmadvocates.com)**  
or  
**[taxadvisory@cmadvocates.com](mailto:taxadvisory@cmadvocates.com)**

**For more information please visit:**

**[www.cmadvocates.com](http://www.cmadvocates.com)**

Head Office - Nairobi, Kenya  
I&M Bank House, 7th Floor, 2nd Ngong Avenue  
T: +254 20 2210978 / +254 716 209673  
P.O. Box 22588 – 00505, Nairobi Kenya  
E: [law@cmadvocates.com](mailto:law@cmadvocates.com)

Mombasa Office - Kenya  
Links Plaza, 3rd Floor, Links Road, Nyali  
T: +254 41 447 0758 / +254 41 447 0548  
P.O. Box 90056 – 80100, Mombasa Kenya  
E: [mombasaoffice@cmadvocates.com](mailto:mombasaoffice@cmadvocates.com)

Regional Offices:

Mombasa | Kampala | Dar es Salaam | Kigali | Lusaka | Port Louis | Addis Ababa