



KRA's Sh500m WIN AGAINST MASTERMIND HAILED AS BREAKTHROUGH IN WAR ON ILLICIT TRADE

Thursday, 29 April, 2021 – KENYA Revenue Authority's (KRA) Sh517 million tax victory against Mastermind Tobacco is a vital breakthrough in the war against criminals in illicit trade who rob the nation of billions every week, Stop Crime Kenya (StoCK) says today.

The Tax Appeals Tribunal ruled that the cigarette manufacturer must pay VAT and excise due on 419 cartons of its Supermatch brand cigarettes for export that were seized at a suspect's home in 2016. Mastermind Tobacco had been unable to provide valid export documents.

Stephen Mutoro, who launched StoCK last year as a platform for fighting illicit trade, said today: "Criminals are robbing Kenya of an estimated Sh153 billion every year by failing to pay due taxes on smuggled stocks, counterfeit goods and other products declared for export which never leave the country.

"The illicit cigarette trade alone costs Sh2.2bn annually, which is money that should be spent on providing essential services to Kenyans especially at this point in time that we are battling the Covid-19 pandemic.

"We applaud the KRA for this vital breakthrough. We urge KRA Commissioner-General Mr James Mburu to focus more on netting missing billions which go down the illicit trade route. National Treasury must empower and facilitate KRA to bring more tax cheats to justice.

"Organised syndicates use ill-gotten profits to expand their networks and fund other corrupt enterprises including drug-dealing.

"Illicit trafficking is also a critical revenue stream for the nexus of terror groups operating throughout the East Africa region.

“Kenyans must indeed learn that this is not a victimless crime. Illicit trade costs countless lives and livelihoods. We can only allow it to continue thriving at our own peril.

“We at StoCK pledge to continue working with the office of the Deputy Commissioner in charge of Intelligence to ensure that we stem illicit trade. We call upon Kenyans of goodwill to continue sharing intelligence information with us in confidence.”

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