

Press Statement on Allegations Touching on British American Tobacco (BAT) Relations with Kenya Revenue Authority (KRA)

Recent media reports have highlighted alleged unethical relations between staff of BAT and unspecified staff at KRA in respect of two incidents. KRA wishes to update the public on the two issues, including the actions being taken.

Allegations touching on Mastermind Tobacco Kenya Ltd (MTK)

Since our last Press Statement, we have undertaken the following actions:

1. Contacted the British Broadcasting Corporation (BBC) who assisted by providing contact with Mr. Paul Hopkins, the key person behind the allegations.
2. Contacted Mr. Hopkins seeking information on the alleged bribery incidents including the identities of those involved. Mr. Hopkins responded indicating his preference to avail the information to an independent third party.
3. Contacted the Ethics and Anti-Corruption Commission (EACC) to seek their involvement and to provide them with Mr. Hopkins' contacts. We shall work with EACC to ensure full and proper details are availed and support further investigatory work as required.
4. Held discussions with a representative of UK's Serious Fraud Office (SFO) who have offered to assist with the securing of the information required from the United Kingdom. The SFO is also keen to work with KRA in addressing high range motor vehicle smuggling as evidenced by recent interceptions at the Port of Mombasa.

Allegations touching on Excise Stamps Tender

KRA has noted allegations to the effect that BAT made attempts to influence the tendering for Excise Tax Stamps in the run-up to the last General Elections. Further allegations were made to the effect that BAT sought to obtain confidential KRA tender documents to assist in their bidding.

KRA's response in respect of this allegation is as follows:

1. BAT Kenya, as an entity, has not tendered for the supply of Excise Tax Stamps, in any of the tenders floated by KRA in the past. Additionally, KRA is not aware whether BAT supported any of the past bids presented by participating companies.
2. KRA is not aware of any attempts made by BAT to influence past tendering processes for Excise Tax Stamps. As with all our processes, the tenders for Excise Tax Stamps have been openly competitive and the winning tenderer selected transparently, on the basis of published specifications.
3. The present tender for the supply of Excise Tax Stamps and related management systems was awarded to SICPA Security Solutions, SA in December 2012 who emerged the winner out of 21 bidders. SICPA is a global leader in the implementation of Excise Tax Management systems with clientele around the world including in major economies such as Brazil, from which KRA gained valuable lessons about the tracking technology, presently in use.

As with the previous case, KRA has sought the EACC's assistance in obtaining further details from Mr. Paul Hopkins in order to determine further actions required.

**Commissioner General
21st December 2015**

Disclaimer: Taxpayers are notified that KRA will not accept responsibility for payments not received, credited and validated in the relevant Kenya Revenue Authority accounts **Corruption Reporting:** +254 (0726) 984 668, Email: corruptionreport@kra.go.ke **Short Messaging Services (SMS):** Dial (*572#) or Text to 22572. Call Center: +254 (020) 4 999 999, +254 (0732) 149 999, +254 (0711) 099 999, Email: callcenter@kra.go.ke. **Complaints & Information Center:** +254 (0) 20 281 7700 (Hotline), +254 (0) 20 281 7800 (Hotline), +254 (0) 20 281 7800 (Hotline), +254 (0) 20 343 342, Fax +254 (0) 20 341 342, Email: cic@kra.go.ke

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