# Benefits of the Mauritius-Kenya Double Taxation Avoidance Agreements (DTAAs)

- The DTAA will ensure that income derived by investors do not suffer double taxation.
- It will provide greater tax certainty for businessmen of our two countries as it makes clear the taxing rights of Mauritius and Kenya on all forms of income arising from cross-border economic activities between our two countries.
- Moreover, investors will be able to enjoy more favourable tax rates than what is applied under the domestic law. For example under the domestic law of Kenya:
    - dividends paid to foreign investors are subject to a withholding tax at the rate of 10%. With the DTAA the tax rate will now be 8%;
    - interest paid to foreign investors are subject to a withholding tax at the rate of 15% when paid by a financial institution and at the rates of 25% and 10%, respectively, on bearer certificates and bearer bonds. Under the DTAA the rate of tax is now set at 12.5% for all interest income;
    - royalties paid to foreign investors are subject to a withholding tax at the rate of 20%. Under the DTAA the new rate of tax is set at 12% for all interest income;
    - technical fees paid to foreign investors are subject to a withholding tax at the rate of 20%. Under the DTAA the rate of tax is now set at 10%.
- The Mauritius-Kenya DTAA will bring the competitiveness of Kenyan companies at par with other African countries already having a DTAA with Mauritius.
- The Mauritius-Kenya DTAA will offer Kenyan companies with fiscal certainty in their international business operations involving Mauritius.
- As such, Mauritian businessmen and investors looking for opportunities in Kenya will benefit from this Agreement as will the Kenyan businessmen and investors looking for opportunities in Mauritius.

  The DTAA will also provide the tax authorities of our two countries an effective mechanism to fight tax evasion and other malpractices.