

Business Registration Checklist in Kenya (2026)

A Practical Compliance Guide for Entrepreneurs

LiveLife.ke

Wealth and Wellness in the Digital Age

Page 2: How to Use This Checklist

This guide is your step-by-step roadmap for establishing and maintaining a legally compliant business in Kenya.

- **Tick-Box Style:** Use this as a living document. Do not skip steps, as many downstream requirements (like bank accounts) depend on earlier filings.
 - **Pre-Registration:** Use the first sections to ensure you have the right documents and structure.
 - **Post-Registration:** Use the tax and statutory sections to ensure you are ready for the real-time enforcement environment of 2026.
 - **Bank Readiness:** Complete all "National Registration" and "Beneficial Ownership" steps before visiting a bank for onboarding.
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Page 3: National Registration & Entity Selection

Choose Business Structure

- **Business Name (Sole Proprietorship/Partnership):** Simple registration; no separate legal identity from the owner.
- **Private Limited Company (Ltd):** Most common for startups; provides limited liability and separate legal personality.
- **Limited Liability Partnership (LLP):** Best for professional services; combines partnership flexibility with limited liability.¹

Create eCitizen Account

- Visit accounts.ecitizen.go.ke and log in using your National ID (citizens) or Passport (foreigners).²
- Ensure your profile is verified to access the **Business Registration Service (BRS)** dashboard.³

Name Search & Reservation

- Submit 3–5 proposed names in order of preference via the BRS V2 portal.⁵
 - **Pay Fee:** KES 150 for name search.²
 - **Validity:** Once approved, the name is reserved for 30 days.
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Page 4: Documentation & Transparency

Upload Required Documents

- [] Scanned color copies of National IDs or Passports for all directors/partners.⁷
- [] KRA PIN certificates for all individual officials.²
- [] Recent colored passport-sized photographs.⁷
- [] **For Companies:** Download, sign, and re-upload auto-generated forms (CR1, CR2, CR8).²

File Beneficial Ownership (BO)

- **Mandatory Disclosure:** Register all individuals holding a **10% or more** stake or significant influence.⁹
 - **Timeline:** Must be filed within 30 days of incorporation to keep the business status "Active."⁹
 - **Penalty:** Non-compliance attracts fines of up to KES 500,000 for the company and its officers.⁹
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Page 5: Taxation & Real-Time Compliance

Register KRA & VAT

- **KRA PIN:** Apply for a business PIN via iTax using your Certificate of Incorporation.²
- **VAT Threshold:** Mandatory registration if your annual taxable turnover exceeds **KES 5,000,000.**¹²
- **Filing:** VAT returns are due by the **20th of every month.**¹²

Enable eTIMS (2026 Rules)

- **Mandatory Validation:** As of January 1, 2026, KRA automatically validates all declared expenses against **eTIMS-compliant invoices**.
- **No Invoice, No Deduction:** Expenses not backed by an eTIMS invoice (linked to your business PIN) will be treated as taxable profit.
- **Onboarding:** Ensure you are using the eTIMS software or USSD solution to issue and

receive invoices.

Replace Virtual Asset Tax

- Note: The old 3% Digital Asset Tax (DAT) is repealed.
 - Instead, pay a **10% excise duty** on fees charged by virtual asset service providers (exchanges/wallets).
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Page 6: Statutory Benefits & Local Licensing

Register SHIF & NSSF

- **SHIF (Social Health Insurance):** Deduct **2.75% of gross salary** from all employees (Min KES 300). ¹³
- **NSSF (Feb 2026 Scale):**
 - **New Max:** KES 6,480 per month for both employer and employee. ¹⁵
 - **Limits:** Tier 1 (Lower limit KES 9,000) and Tier 2 (Upper limit ~KES 108,000).
- **Affordable Housing Levy (AHL):** 1.5% deduction matched by a 1.5% employer contribution.

Obtain County Permit (UBP)

- **Nairobi (NairobiPay):** Apply for the **Unified Business Permit** combining fire, health, and single business licenses. ¹⁷
- **Costs:** Small workshops (~5 staff) typically start at **KES 15,000**. ⁸
- **Kitengela (Zone B):** Medium traders pay approximately **KES 7,000**. ¹⁹

Register with ODPC

- Mandatory for businesses with over 10 staff or KES 5M turnover, or any size in sensitive sectors (Health, Finance, Education).
 - **Fee:** KES 4,000 for Micro/Small entities (valid for 24 months).
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Final Page: Resources & Next Steps

Congratulations on completing your compliance setup! Staying organized is the key to building long-term wealth in Kenya.

More Kenya Business Guides

- **Launch Your Online Business Step-by-Step:** livelife.ke/launch-online-business
- **2026 Accounting Software Comparison:** livelife.ke/accounting-software-2026

- **Calculate Your Net Take-Home Pay:** livelife.ke/payslip-calculator

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