

Charging and remittance of VAT under the e-commerce business in Kenya; Insights from the case of Commissioner of Domestic taxes vs Sendy Ltd (Income Tax Appeal E137 of 2024) [2025] KEHC 14814 (KLR) (Commercial and Tax) (23 October 2025) (Judgment).

The principal supplier and not a mere intermediary is responsible for collection and remittance of VAT. To determine whether you are a principal supplier or a mere intermediary, the following indicators serve the purpose;

- a) The principal supplier sets the rules of engagements through policy, legal and operational framework.
- b) The principal supplier allocates the jobs and has control over who can work and who cannot work at any given moment.
- c) The principal supplier determines pricing.
- d) The principal supplier is responsible for the billing and payment process.
- e) The contractual relationship formed is between the customer and the platform offering e-commerce services.
- f) Demand for payments in the name of the e-commerce supplier.