



MGK Consulting Limited

Mayfair Business Centre, 2nd Floor

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## HIRING IN KENYA FROM ABROAD AND BE COMPLIANT

### 1. Background

Many foreign organizations setting up in Kenya or that have set up in Kenya may face challenges of incorporating/ setting up in due to the various government regulations and specific local requirements or onboarding local employees, deducting and remitting payroll taxes and statutory deductions

In other times, it may not be viable to incorporate or set up an entity abroad for example when delivering one off time bound contracts, during a research phase of a venture abroad or during trial runs in a new market's aboard.

Some entities opt to put on hold or give up altogether on their plans abroad due to the many uncertainties in foreign jurisdictions and the legal and regulatory requirements that may be involved.

### 2. To recruit directly from head office?

Some foreign organizations opt to hire local staff in the foreign jurisdictions and contract them directly from their headquarters. This may come with various challenges as highlighted below:

- The duty to withhold employment taxes and remit to the Kenya Revenue Authority lies with the employer. Without a local representation, the foreign entity may not be able to comply with this requirement.
- The employer is also obligated to remit other statutory deductions and levies for example national insurance, social security and training levies which may pose a challenge to the foreign entity.
- Changes in local laws and regulations are certain and catching up with the changes and implementing them may pose a challenge to a foreign institution without a local representation. This increases the risk of non-compliance.

### 3.0 How can MGK help you

We have tailored a payroll onboarding service to help entities venturing into the Kenya market to overcome the challenges associated with people onboarding.

If you are venturing into the Kenyan market and you looking for a reputable firm to onboard your team in the short term, mid-term or long term, MGK is your go to partner. We help you navigate the process as follows:

### 3.1 Payroll administration



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**You** recruit the employees based on your internal requirements and **we** onboard them on your behalf. We shall then administer their payroll in compliance with the laws and regulations in place thereby relieving you the worry and risk that comes with non-compliance. We also work with you to ensure timely payment of salaries and applicable deductions and levies thereby ensuring compliance and also boosting team morale. The pay-slips and end year reports will be provided on timely basis. We process net pay in local and also in foreign currency depending on your needs.

### **3.2 Compliance with the local laws and regulations**

We advise you on the requirements in regard to hiring Kenyan employees and the applicable local laws and regulations in place for example mandatory insurances, minimum wages, leave requirements, statutory deductions, levies among others. We shall also keep you abreast of the changes that come from year to year and work with you to ensure they are on boarded.

### **3.3 Leave management**

Understanding various Leave policies around different countries, tracking the leave days and calculating leave pay may pose a challenge in a foreign jurisdiction. We come in handy to ensure you understand local leave policies, track for you the employees leave days and ensure there are no payroll errors in leave calculations.

### **3.3 Final Dues**

At times, employee separation is inevitable. The question of the applicable final dues is a critical one and there is need to ensure it handled in accordance with the employment contract and laws of the land thereby avoiding labor disputes that would escalate if not properly dealt with. We work to ensure that employee final dues are accurately and correctly computed as required.

### **3.5 Records**

All employers are required to maintain data for a minimum specified time period. We shall maintain your payroll data in line with the Kenya Data Protection Act, Kenya Revenue Authority and other agreed upon requirements and we are available provide information upon request by the authorities when called upon to do so.

### **4.0 Some benefits of this model.**

- Saves you time, money and gives you peace of mind.
- Saves you costs of incorporating an entity for example in the research phase, tests run or delivering one time contracts



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- Enhances compliance with the laws and regulations

#### **5.0 Looking to set up in Kenya or have you set up and need help in team onboarding and payroll processing?**

Get in touch with us for us understands and appreciate your needs. We shall then more tailor a customized response to your specific needs. Please contact our Betty Kamau on [bkamau@mgkconsult.co.ke](mailto:bkamau@mgkconsult.co.ke) and [enquiries@mgkconsult.co.ke](mailto:enquiries@mgkconsult.co.ke)