

## THE FORGERY FIASCO

### StoCK URGES CRACKDOWN AS FAKE EXCISE STAMPS FUEL ILLICIT TRADE

Thursday 5 August - AN URGENT review of Kenya's curbs against counterfeit goods is needed as fake excise stamps flood the country's retail market, Stop Crime Kenya (StoCK) warns today.

Billions of shillings in vital tax revenue are being lost as criminals use forged excise stamps to sell illicit drinks and cigarettes to unwitting consumers.

The crisis is compounded by a legal wrangle between Kenya Revenue Authority (KRA) and Swiss company SICPA, which has a multi-billion-shilling contract to run the controversial Electronic Goods Management System (EGMS) that uses the stamps.

"The fake excise stamps and KRA's dispute with SICPA can only fuel Kenya's insidious illicit economy," says StoCK leader Stephen Mutoro.

"[Latest figures from the Anti-Counterfeit Authority](#) (ACA) show illicit trade robs our country of Sh153 billion tax revenue a year.

"Kenya simply can't afford such losses, especially when we are having to borrow heavily to combat the pandemic and build a better future for citizens.

"A comprehensive review of the discredited excise stamp system is urgently needed to enforce compliance, boost the economy and protect consumers."

The Kenya Association of Manufacturers (KAM) [has stated it is aware of the increase in fake stamps](#), mainly being used in alcoholic beverages, non-alcoholic drinks including juices, water and cigarettes. The association is working with KRA and other agencies to combat the issue.

A recent StoCK survey of Kenyan consumers, entitled [Robbed Blind](#), reveals that illicit goods are commonplace across the country but virtually no one realises their true devastating cost.

Most of those questioned believe the tax losses resulting from illicit trade are just one-quarter of the actual figure, which equates to Sh419 million every day.

Mr Mutoro says: "Our survey shows there is a stunning lack of awareness about how hugely destructive illicit trade really is.

"Unscrupulous manufacturers and traders seek to make quick cash by circumventing legal requirements such as the purchase of genuine excise stamps.

"They undercut legal traders and destroy honest jobs, they rob the state of vital funds and they put consumers' lives at risk.

“The Government needs to reinvigorate its campaign against illicit trade and make a crackdown on criminals in the shadow economy a national priority.”

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