

SPECIAL ISSUE

Kenya Gazette Supplement No. 215 (Acts No. 12)



REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

ACTS, 2024

NAIROBI, 13th December, 2024

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THE TAX LAWS (AMENDMENT) ACT, 2024**No. 12 of 2024***Date of Assent: 11th December, 2024**Date of Commencement: 27th December, 2024***AN ACT of Parliament to make amendments to tax-related laws; and for connected purposes****ENACTED** by the Parliament of Kenya as follows—

1. This Act may be cited as the Tax Laws (Amendment) Act, 2024.

Short title and commencement.

2. Section 2 of the Income Tax Act is amended—

Amendment of section 2 of Cap. 470.

- (a) in the definition of “individual retirement fund”, by deleting the words “and registered individual retirement fund means an individual retirement fund where the trust deed for such a fund has been registered with the Commissioner”;
- (b) in the definition of “pension fund”, by deleting the words “and registered pension fund means one which has been registered with the Commissioner in such manner as may be prescribed”;
- (c) in the definition of “provident fund”, by deleting the words “and registered provident fund means one which has been registered with the Commissioner in such manner as may be prescribed”;
- (d) by deleting the definition of “royalty” and substituting therefor the following new definition—
 - “royalty” means a payment made as a consideration for the use or the right to use—
 - (a) any copyright of a literary, artistic or scientific work;
 - (b) any software, proprietary or off-the-shelf, whether in the form of licence, development, training, maintenance or support fees;
 - (c) any cinematograph film, including a film or tape for radio or television broadcasting;
 - (d) any patent, trademark, design or model, plan, formula or process;

- (e) any industrial, commercial or scientific equipment; or
 - (f) information concerning industrial, commercial or scientific equipment or experience, and any gains derived from the sale or exchange of any right or property giving rise to that royalty;
 - (e) by deleting the definition of “wife’s employment income”;
 - (f) by deleting the definition of “wife’s employment income rate”;
 - (g) by deleting the definition of “wife’s professional income”;
 - (h) by deleting the definition of “wife’s professional income rate”;
 - (i) by deleting the definition of “wife’s self-employment income”;
 - (j) by deleting the definition of “wife’s self-employment income rate”;
 - (k) by inserting the following new definitions in proper alphabetical sequence—
 - “donation” means a benefit in money in any form, promissory note or a benefit in kind conferred on a person without any consideration and includes grants;
 - “public entity” means a ministry, state department, state corporation, county department or agency of the national or county Government;
 - “registered individual retirement fund” means an individual retirement fund where the trust deed for such a fund has been registered with the Retirement Benefits Authority;
 - “registered pension fund” means a pension fund which has been registered with the Retirement Benefits Authority; and
 - “registered provident fund” means a provident fund which has been registered with the Retirement Benefits Authority.
- 3.** Section 5 of the Income Tax Act is amended—

Amendment of
section 5 of Cap.

470.

(a) in subsection (2) in paragraph (b), by deleting the words “thirty-six thousand shillings” and substituting therefor the words “sixty thousand shillings”;

(b) in subsection (4)—

(i) by deleting paragraph (f) and substituting therefor the following new paragraph—

(f) the first sixty thousand shillings on the value of meals served by the employer, whether the meals are supplied by the employer or not, within his premises to employees in a canteen or cafeteria operated or established by the employer or provided by a third party who is a registered taxpayer, whether the meals are supplied in the premises of the employer or the premises of the third party, shall be excluded in the calculation of his gains or profits subject to such conditions as the Commissioner may specify;

(ia) by inserting the following new paragraph immediately after paragraph (f)—

(fa) any amount paid or granted to a public officer pursuant to any written law or statutory instrument, with effect from 27th July, 2022, to reimburse an expenditure incurred for the purpose of performing official duties, notwithstanding the ownership or control of any assets purchased;

(ii) in paragraph (g), by deleting the words “two hundred and forty thousand shillings” appearing in paragraph (a) of the proviso and substituting therefor the words “three hundred and sixty thousand shillings”.

4. Section 10 of the Income Tax Act is amended by inserting the following new subsections immediately after subsection (3)—

(4) Where a resident or a non-resident person, being the owner or operator of a digital marketplace or platform, makes or facilitates payment in respect of digital content monetisation,

Amendment of
section 10 of Cap.
470.

property or services, the amount thereof shall be deemed to be income which accrued in or was derived from Kenya.

(5) In this section, “platform” means a digital platform or website that facilitates the exchange of a short-term engagement, freelance or provision of a service, between a service provider, who is an independent contractor or freelancer, and a client or customer.

5. The Income Tax Act is amended by repealing section 12E and replacing it with the following new section—

Repeal and replacement of section 12E of Cap. 470.

Significant economic presence tax.

12E. (1) Notwithstanding any other provision of this Act, a tax known as significant economic presence tax shall be payable by a non-resident person whose income from the provision of services is derived from or accrues in Kenya through a business carried out over a digital marketplace.

(2) For purposes of this section, a non-resident person shall be considered to have significant economic presence where the user of the service is located in Kenya.

(3) Subsection (1) shall not apply—

- (a) to a non-resident person who offers the services through a permanent establishment;
- (b) to an income chargeable under section 9(2) or section 10;
- (c) to a non-resident person providing digital services to an airline in which the government of Kenya has at least forty-five per cent shareholding; or
- (d) to a non-resident person with an annual turnover of less than five million shillings.

(4) For the purposes of computing the tax under subsection (1), the taxable profit of a person liable to pay the tax shall be deemed to be ten per cent of the gross turnover.

(5) A person subject to tax under this section shall submit a return and pay the tax due to the Commissioner on or before the twentieth day of the month following the end of the month in which the service was offered.

(6) The Cabinet Secretary may make Regulations for the better implementation of this section.

6. The Income Tax Act is amended by inserting the following new section immediately after section 12F—

Insertion of new sections 12G of Cap. 470.

Minimum top-up tax.

12G. (1) Notwithstanding any other provision of this Act, a tax known as minimum top-up tax shall be payable by a covered person where the combined effective tax rate in respect of that person for a year of income is less than fifteen per cent.

(2) The combined effective tax rate for a covered person shall be the sum of all the adjusted covered taxes, divided by the sum of all net income or loss for the year of income, multiplied by a hundred.

(3) The amount of tax payable shall be the difference between fifteen per cent of the net income or loss for the year of income of a covered person, and the combined effective tax rate for the year of income, multiplied by the excess profit of the covered persons.

(4) This section shall not apply—

- (a) to a public entity that is not engaged in business;
- (b) to a person whose income is exempt from tax under paragraph 10 of the First Schedule;

- (c) to a pension fund and the assets of that pension fund;
- (d) to a real estate investment vehicle that is an ultimate parent entity;
- (e) to a non-operating investment holding company;
- (f) to an investment fund that is an ultimate parent entity;
- (g) to a sovereign wealth fund; or
- (h) to an intergovernmental or supranational organisation including a wholly owned agency or organ of the intergovernmental or supranational organisation.

(5) In this section—

“adjusted covered taxes” means taxes recorded in the financial accounts of a covered person for the income, profits, or share of the income or profits of a covered person where the covered person owns an interest, and includes taxes on distributed profits, deemed profit distributions under this Act subject to such adjustments as may be prescribed;

“covered person” means a resident person or a person with a permanent establishment in Kenya who is a member of a multinational group and the group has a consolidated annual turnover of seven hundred and fifty million Euros or more in the consolidated financial statements of the ultimate parent entity in at least two of the four years of income immediately preceding the tested year of income;

“net income or loss” means the sum net income or loss for the year of income after deducting the sum of the losses of a covered person as determined under a recognised accounting standards in Kenya; and

“excess profit” means the net income or loss of a covered person for the year of income less—

(a) ten per cent for the employee costs; and

(b) eight per cent for the net book value of tangible assets:

Provided that the employee cost and book value of tangible assets may be adjusted as prescribed in regulations.

7. Section 15 of the Income Tax Act is amended—

Amendment of section 15 of Cap. 470.

(a) in subsection (2) by inserting the following new paragraphs immediately after paragraph (ab)—

(ac) in the case of an employee, the amount deducted in accordance with section 5(1)(a) of the Affordable Housing Act, 2024;

(ad) a contribution to a post-retirement medical fund subject to a limit of fifteen thousand shillings per month;

(ae) contributions made to the Social Health Insurance Fund in accordance with section 27(a) and (b) of the Social Health Insurance Act, 2023;

(b) in subsection (3)(b), by deleting the words “three hundred thousand shillings” and substituting therefor the words “three hundred and sixty thousand shillings”.

8. Section 22A of the Income Tax Act is amended—

Amendment of section 22A of Cap 470.

(a) in subsection (1)(c)—

(i) by deleting the words “two hundred and forty thousand shillings” and substituting therefor the words “three hundred and sixty thousand shillings”;

(ii) by deleting the words “twenty thousand shillings” and substituting therefor the words “thirty thousand shillings”;

- (b) in subsection (2)(c)—
- (i) by deleting the words “two hundred and forty thousand shillings” and substituting therefor the words “three hundred and sixty thousand shillings”;
 - (ii) by deleting the words “twenty thousand shillings” and substituting therefor the words “thirty thousand shillings”;
- (c) in subsection (3)(c), by deleting the words “two hundred and forty thousand shillings” and substituting therefor the words “three hundred and sixty thousand shillings”.

9. Section 22B of the Income Tax Act is amended in subsection (2)(c)—

Amendment of section 22B of Cap. 470.

- (a) by deleting the words “two hundred and forty thousand shillings” and substituting therefor the words “three hundred and sixty thousand shillings”;
- (b) by deleting the words “twenty thousand shillings” and substituting therefor the words “thirty thousand shillings”.

10. The Income Tax Act is amended by repealing section 30A.

Repeal of section 30A of Cap. 470.

11. Section 31 of the Income Tax Act is amended in subsection (1), by deleting the words “or a contribution made to the National Hospital Insurance Fund” appearing in paragraph (v) of the proviso.

Amendment of section 31 of Cap. 470.

12. The Income Tax Act is amended by repealing section 34 and replacing it with the following new section—

Repeal and replacement of section 34 of Cap. 470.

Rates of tax.

34. (1) The tax chargeable on any income specified in this Act shall be at the rate specified in the Third Schedule.

(2) Subject to subsection (1), the transfer of interest in a person shall be charged in accordance with the Ninth Schedule.

(3) In this section “person” does not include a partnership.

13. Section 35 of the Income Tax Act is amended—

Amendment of section 35 of Cap. 470.

- (a) in subsection (1), by inserting the following new paragraphs immediately after paragraph (q)—
 - (r) supply of goods to a public entity;
 - (s) making or facilitating payment on a digital marketplace; and
 - (t) sale of scrap.
- (b) in subsection (3), by inserting the following paragraphs immediately after paragraph (l)—
 - (m) supply of goods to a public entity;
 - (n) making or facilitating payment on a digital marketplace;
 - (o) the sale of scrap.

14. Part I of the First Schedule to the Income Tax Act is amended—

Amendment of the First Schedule to Cap. 470.

- (a) by deleting paragraph 53 and substituting therefor the following new paragraph—

53. Payment of pension benefits from a registered pension fund, registered provident fund, registered individual retirement fund, public pension scheme or National Social Security Fund, upon attainment of the retirement age determined in accordance with the rules of the fund or the scheme:

Provided that this exemption shall also apply to—

- (a) payment of gratuity or other allowances paid under a public pension scheme;
- (b) payment of a retirement annuity; or
- (c) withdrawals from the fund prior to attaining the retirement age due to ill health; or withdraws from the fund after the twenty years from the date of registration as a member of the fund.

- (b) in paragraph 57 by deleting the words “income or”;
- (c) by deleting paragraph 71 and substituting therefor the following paragraph—

71. Income earned by a non-resident contractor, sub-contractor, consultant or an employee involved in the implementation of a project financed through a one hundred per cent grant under an agreement between the Government and a development partner, to the extent provided for in the Agreement:

Provided that—

- (a) the non-resident contractor, subcontractor, contractor or employee shall maintain this status for the tenure of the agreement;
- (b) any other income not directly related to the project earned by that non-resident contractor, sub-contractor, consultant or employee shall be subject to tax.

15. The Second Schedule to the Income Tax Act is amended in paragraph (1A) by deleting the words “two billion shillings” wherever it appears and substituting therefor the words “one billion shillings”.

Amendment of the Second Schedule to Cap.470.

16. The Third Schedule to the Income Tax Act is amended in—

Amendment of the Third Schedule to Cap. 470.

- (a) in Head A by—
 - (i) by deleting paragraph 3;
 - (ii) by deleting paragraph 4;
- (b) in Head B by—
 - (i) in paragraph 3 by inserting the following new subparagraphs immediately after subparagraph (t)—
 - (u) in respect of a payment made by a public entity for supply of goods to the public entity, five per cent;
 - (v) in respect of income deemed to have accrued in or been derived from a digital marketplace, twenty per cent;

- (w) in respect of the sale of scrap, one and a half per cent of the gross amount.
- (ii) in paragraph 5 in subparagraph (d)—
- (I) by deleting item (i);
 - (II) by deleting the words “fifteen years” and substituting therefor the words “twenty years” appearing in item (ii);
 - (III) by inserting the following new subparagraphs immediately after subparagraph (m)—
 - (n) in respect of a payment made by a public entity for supply of goods to the public entity, zero point five per cent;
 - (o) in respect of income deemed to have accrued in or been derived from a digital marketplace, five per cent;
 - (p) in respect of sale of scrap, one point five percent of the gross amount.
- (iii) by deleting paragraph 12 and substituting therefor the following new paragraph—
12. The rate of tax in respect of significant economic presence tax charged under section 12E shall be thirty per cent of the deemed taxable profit.
- (iv) by inserting the following new paragraphs immediately after paragraph 13—
14. The rate of tax in respect of capital gains charged under section 3(2)(f) shall be fifteen per cent which shall be a final tax:
- Provided that where the Nairobi International Financial Centre Authority certifies that—
- (a) a firm has invested at least three billion shillings in at least one entity incorporated or registered in Kenya within a period of two years; and

- (b) the transfer of the investment is to be made after five years of the date of the investment,

the applicable rate shall be five per cent.

17. The Eleventh Schedule to the Income Tax Act is amended in paragraph 4, by deleting the words “and in the event of failure to submit a return or late submission of a return, the enterprise will be liable to a penalty of two thousand shillings per day for each day that the failure continues”.

Amendment of the Eleventh Schedule to Cap. 470.

18. Section 12 of the Value Added Tax Act is amended by inserting the following new subsection immediately after subsection (4)—

Amendment of section 12 of Cap.

- (5) The time supply for exported goods shall be the time when the certificate of export or such other equivalent export document has been issued by Customs.

19. Section 17 of the Value Added Tax Act is amended—

Amendment of section 17 of Cap. 476.

- (a) in subsection (5) by inserting the following new paragraph immediately after paragraph (e)—

- (ea) in the case of a taxable supply that is zero-rated or exempted, such excess arose on account of permanent credit position in favour of a registered person due to the difference between the rate applicable on the 1st July, 2022 and a lower rate of tax and that such credit position existed on the date that the taxable supply became zero-rated or exempted:

Provided that notwithstanding the provisions of subsection (5), a registered person who incurred such a credit shall apply to the Commissioner for relief within six months after the commencement of this provision.

- (b) by deleting subsection (7);

- (c) by deleting subsection (8).

20. Section 65 of the Value Added Tax Act is amended by inserting the words “and exported goods” immediately after the words “imported taxable goods”.

Amendment of section 65 of Cap. 476.

21. The First Schedule to the Value Added Tax Act is amended—

Amendment of the
First Schedule to
Cap. 476.

(a) in Section A of Part I —

(i) by deleting paragraph 69 and substituting therefor the following new paragraph —

69. Goods of tariff number 4703.21.00 for use in the manufacture of baby diapers, adult diapers, sanitary towels (pads) and tampons.

(ii) by deleting paragraph 70;

(iii) by deleting paragraph 114;

(iv) by deleting the proviso appearing in paragraph 146 and substituting therefor the following new proviso—

Provided that the value of such investment is not less than two billion shillings, and the exemption was granted before 1st January 2024 and shall continue to apply for twelve months after this date.

(v) by inserting the following new paragraphs immediately after paragraph 148—

149. All imported inputs and raw materials supplied to manufacturers of agricultural pest control products upon recommendation by the Cabinet Secretary for the time being responsible for agriculture;

150. Agricultural pest control products;

151. Fertilizers of Chapter 31;

152. Inputs or raw materials locally purchased or imported by manufacturers of fertilizer as approved from time to time by the Cabinet Secretary responsible for Agriculture.

153. The supply of denatured ethanol of tariff number 2207.20.00.

154. Taxable goods of Chapter 5407 and Chapter 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for investments, trade and industry.

(vi) by deleting paragraph 57 and substituting therefor the following new paragraph—

57. All goods including material supplies, equipment, machinery and motor vehicles for official use by the Kenya Defence Forces, the Defence Forces Welfare Services, the National Intelligence Service and the National Police Service.

(vii) by deleting paragraph 101 and substituting therefor the following new paragraph—

101. Alcoholic or non-alcoholic beverages supplied to the Defence Forces Welfare Services.

(b) in Part II by inserting the following new paragraph immediately after paragraph 34—

35. Transfer of a business as a going concern.

22. The Second Schedule to the Value Added Tax Act is amended in Part A—

- (a) by deleting paragraph 16;
- (b) by deleting paragraph 19;
- (c) by deleting paragraph 24; and
- (d) by deleting paragraph 25.

Amendment of the Second Schedule to Cap. 476.

23. Section 2 of the Excise Duty Act is amended in subsection (1) by inserting the following new definition in the proper alphabetical sequence—

“digital lender” means person holding a valid digital credit providers licence issued by the Central Bank of Kenya;

24. Section 5 of the Excise Duty Act is amended—

- (a) in subsection (1), by inserting the following new paragraph immediately after paragraph(c)—

Amendment of section 5 of Cap. 472.

(d) excisable services offered in Kenya by a non-resident person through a digital platform;

(b) in subsection (3), by inserting the following new paragraph immediately after paragraph (c)—

(d) under subsection (1)(d), shall be payable by the non-resident person offering the service.

25. Section 7 of the Excise Duty Act is amended in subsection (2), by inserting the expression “spirit,” immediately after the word “beer”.

Amendment of section 7 of Cap. 472.

26. Section 36 of the Excise Duty Act is amended in subsection (1A), by deleting the words “twenty-four hours” and substituting therefor the words “by the fifth day of the following month”.

Amendment of section 36 of Cap. 472.

27. The First Schedule to the Excise Duty Act is amended—

Amendment of the First Schedule to Cap. 472.

(a) in Part I—

(i) in the second table of paragraph 1—

(A) by deleting the description “Imported sugar excluding imported sugar purchased by a registered pharmaceutical manufacturer” and the corresponding rate of excise duty and substituting therefor the following new description and corresponding rate of excise duty –

Description

Rate of Excise Duty

Imported sugar excluding sugar imported by a registered pharmaceutical manufacturer and raw sugar imported for processing by a licensed sugar refinery

KSh. 7.50 per kg

(B) in the item of description “Motor vehicles of tariff heading 87.02, 87.03 and 87.04”, by inserting the following new item immediately after item (i)—

(ia) locally assembled electric vehicles.

- (C) in the description of “Cigarette with filters (hinge lid and soft cap)”, by deleting the corresponding rate of Excise Duty and substituting therefor the rate of Excise Duty “KSh. 4,100 per mille”;
- (D) in the description “Cigarettes without filters (plain cigarettes)”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 4,100 per mille”;
- (E) in the description of “Products containing nicotine or nicotine substitutes intended for inhalation without combustion or oral application but excluding medicinal products approved by the Cabinet Secretary responsible for matters relating to health and other manufactured tobacco and manufactured tobacco substitutes that have been homogenized and reconstituted tobacco, tobacco extracts and essences”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 2,000 per kg”;
- (F) in the description of “Liquid nicotine for electronic cigarettes”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 100 per millilitre”;
- (G) by inserting the following items of description and the corresponding rate of excise duty—

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| <i>Description</i> | | <i>Rate of Excise Duty</i> |
| Imported Fully Assembled Electric transformers and parts of tariff codes 8504.10.00,8504.21.00,8504.22.00,8504.23.00,8504.31.00, 8504.32.00, 8504.34.00 | | 25% |
| Imported printing ink of tariff 3215.11.00 and 3215.19.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin | | 15% |
| Imported Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures of tariff heading 6910 | | 5% of custom value or KSh. 50 per kg |
| Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked of tariff 7007 | | 35% of custom value or KSh.200 per kg |
| Imported ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics of tariff 6907 | | 5% of custom value or KSh. 200 per square meter |
| Coal | | 2.5% of the custom value |
| | (H) in the description “Imported sugar confectionary of tariff heading 17.04”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 85.82 per kg; | |
| | (I) by inserting following new descriptions and the corresponding rates immediately after the item of tariff description “3906.90.00 imported emulsion B.A.M.”— | |
| <i>Description</i> | | <i>Rate of Excise Duty</i> |
| 3907.99.00 Imported Saturated polyester | | 20% |
| 3905.21.00 Imported polymers of vinyl acetate/vinyl esters | | 20% |
| 3903.90.00 Imported emulsion-styrene acrylic | | 20% |

- (J) in the description of “Wines including fortified wines, and other alcoholic beverages obtained by fermentation of fruits”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 22.50 per centilitre of pure alcohol”;
- (K) in the description of “Beer, Cider, Perry, Mead, Opaque beer and mixtures of fermented beverages with non-alcoholic beverages and spirituous beverages of alcoholic strength not exceeding 6%”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 22.50 per centilitre of pure alcohol”:
- Provided that, Beer, cider, perry, mead, opaque beer and mixtures of fermented beverages with non-alcoholic beverages and spirituous beverages manufactured by licensed small independent brewers shall be subject to the rate of “KSh 10 per centilitre of pure alcohol”;
- (L) in the description of “Spirits of undenatured ethyl alcohol; spirits liqueurs and other spirituous beverages of alcoholic strength exceeding 6%”, by deleting the corresponding rate of excise duty and substituting therefor the rate of excise duty “KSh. 10 per centilitre of pure alcohol”;
- (M) by deleting the item of description “Imported plates of plastic of tariff heading 3919.90.90, 3920.10.90, 3920.43.90, 3920.62.90 and 3921.19.90” and the corresponding rate and substituting therefor the following new item—

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Description

Imported Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls of tariff number 3919.90.90, 3920.10.90, 3920.43.90, 3920.62.90 and 3921.19.90 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin

Rate of Excise Duty

25% or sh. 75 per Kilogramme, whichever is higher.

- (N) by inserting the following items immediately after the item of description “Imported cartons, boxes and cases of corrugated paper or paper board and imported folding cartons, boxes and case of non-corrugated paper or paper board and imported skillets, free-hinge lid packets of tariff heading 4819.10.00, 4819.20.10 and 4819.20.90” —

Description

Printed paper or paperboard of tariff heading 4811.41.90 or 4811.49.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin

Rate of Excise Duty

25% or KSh. 150 per kilogramme, whichever is higher

- (O) by deleting the item of description “Imported plates of plastic of tariff heading 3919.90.90, 3920.10.90, 3920.43.90, 3920.62.90 and 3921.19.90” and the corresponding rate and substituting therefor the following new item—

Description

Imported plates of plastic of tariff heading 3919.90.90, 3920.10.90, 3920.43.90, 3920.62.90 and 3921.19.90 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin

Rate of Excise Duty

25% or KSh. 200 per kilogramme, whichever is higher

- (P) by deleting the item of description “Imported paper or paper board, labels of all kinds whether or not

printed of tariff heading 4821.10.00 and 4821.90.00” and the corresponding rate and substituting therefor the following new item—

| <i>Description</i> | <i>Rate of Excise Duty</i> |
|--|--|
| Imported paper or paper board, labels of all kinds whether or not printed of tariff heading 4821.10.00 and 4821.90.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin | 25% or sh. 150 per kilogramme, whichever is higher |
| (Q) in the description of “Imported eggs of tariff heading 04.07” by inserting the words “excluding fertilized eggs for incubation imported by licenced incubators”; | |
| (R) by deleting the description “Imported pasta of tariff 1902 whether cooked or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni, couscous, whether or not prepared” and the corresponding rate of excise duty; | |
| (S) in the tariff description “Imported Articles of plastic of tariff heading 3923.30.00 and 3923.90.90” by deleting the word “imported”; | |
| (T) by deleting the item of tariff description “Imported paper or paper board, labels of all kinds whether or not printed of tariff heading 4821.10.00 and 4821.90.00” and the corresponding rate of excise duty and substituting therefor the following new item— | |

| <i>Description</i> | <i>Rate of Excise Duty</i> |
|--|---|
| Printed paper or paperboard of tariff heading 4811.41.90 or 4811.49.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin | 25% or KSh. 200 per kilogramme, whichever is higher |

(b) in Part II—

- (i) in paragraph 4A, by deleting the words “twelve-point five percent” and substituting therefor the words “fifteen percent”;
- (ii) in paragraph 4B, by deleting the words “twelve-point five percent” and substituting therefor the words “fifteen percent”;
- (iii) in paragraph 4C, by deleting the words “twelve-point five percent” and substituting therefor the words “fifteen percent”;
- (iv) in paragraph 4D, by deleting the words “twelve-point five percent” and substituting therefor the words “fifteen percent”;
- (v) in paragraph 8, by inserting the words “the internet, social media” immediately after the words “advertisement on”.

(c) in Part III by inserting the following new definitions in the proper alphabetical sequence—

“fees charged by digital lenders” includes any fees, charges or commissions charged by digital lenders relating to their licensed activities but does not include interest, pre-loan interest, post-loan interest, return on loan or any share of profit or an insurance premium or premium based or related commissions specified in the insurance Act or regulations made thereunder;

“small independent brewer” means manufacturers of beer, cider, perry, mead, opaque beer, wine and fortified wines and mixtures of fermented beverages with non-alcoholic beverages manufactured whose production volume does not exceed 150,000 litres per month.

28. Section 8 of the Miscellaneous Fees and Levies Act is amended in subsection (2), by deleting the words “one point five” and substituting therefor the words “two ”.

Amendment of section 8 of Cap. 469C.

29. The Second Schedule to the Miscellaneous Fees and Levies Act is amended—

Amendment of
the Second
Schedule to Cap.
469C.

(a) In Part A—

- (i) in paragraph (xxv), by inserting the words “, the National Intelligence Service, the Defence Forces Welfare Services” immediately after the words “Kenya Defence Forces;
- (ii) by inserting the following new paragraph immediately after paragraph (xxx)—
“(xxx) goods of Chapter 5407 and Chapter 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for industry.”

(b) In Part B—

- (i) in paragraph (ix) by inserting the words “, the National Intelligence Service, the Defence Forces Welfare Services” immediately after the words “Kenya Defence Forces”,
- (ii) by inserting the following new paragraph immediately after paragraph (xvi)—
“(xxvii) goods of chapter 5407 and chapter 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for investment, trade and industry.”

30. The Third Schedule to the Miscellaneous Fees and Levies Act is amended by inserting the following items immediately after the item of description “Other sacks and bags, including cones” of tariff number “4819.40.00”

Amendment of
the Third
Schedule to Cap.
469C.

| <i>Tariff No.</i> | <i>Tariff description</i> | <i>Export and investment promotion levy rate</i> |
|-------------------|---------------------------|--|
| 4804.29.00 | Sack kraft bleached | 10% of customs value |
| 4804.39.00 | Sack kraft bleached | 10% of customs value |