

Tax Advisory Note

**East African Community
Gazette Notice, 2021**



WESTMINISTER
CONSULTING



Preamble

On 30th June 2021, the East African Community (EAC) Secretariat released EAC Gazette No 13 of 2021, (the Gazette). The Gazette highlights changes to the EAC Common External Tariff (EAC CET) with effect from 1 July 2021. The Council of Ministers (The Council) has, through the Gazette, implemented several fiscal changes which affect both individual EAC Partner States and the EAC region as a whole.

Correspondingly, the Gazette also outlines Stay of Application of EAC CET rates and approved Duty remission rates for various countries within the East African Community. The existence of the Stays of Application and Country's Specific Duty Remission in the current EAC Gazette aims at cushioning vulnerable sectors/products, protect local industries as well as enhance local manufacturing and production for those products that the EAC region has the capacity to produce.

This Advisory Note highlights the major changes specific to Kenya.



Stay of Application of CET rates

Under the stay of application, the Council of Ministers may allow member countries to deviate from the CET rates for a period of one year. Country-specific waivers are granted by the Council on a case-by-case basis, on justification of any injury or threat of injury, upon request from the member State.

Correspondingly the Council of Ministers has approved the following measures on custom duty rates on the items provided under The Harmonized Community Description and Coding System in Annex 1 to the Protocol:

	HS Code	Description	Decision
1	6309.00.10 6309.00.20 6309.00.90	Worn items of clothing Worn items of footwear Other worn articles	Kenya to stay application of the EAC CET rate on HS Code 6309.00.10 and apply a duty rate of 35% or USD 0.20/Kg whichever is higher instead of 35% or USD 0.40/Kg whichever is higher for one year.
2	0701.90.00 0710.10.00 2004.10.00 2005.20.00	Cooked Potatoes, fresh or chilled, other than seed	Kenya to stay application of EAC CET rate and apply a duty rate of 30% for one year
3	2005.59.00	Other vegetables prepared or preserved	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or US\$ 400/MT whichever is higher for one year
4	2005.40.00	Peas (<i>Pisum sativum</i>)	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or US\$ 250/MT whichever is higher for one year
5	2005.80.00	Sweet corn (<i>Zea mays</i> var. saccharate)	
6	2002.10.00	Tomatoes, whole or in pieces	
7	0207.11.00	Processed chicken Meat and edible offal, of the poultry of heading 01.05, fresh, chilled, or frozen-- Not cut in pieces, fresh or chilled	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of EAC CET rate and apply a duty rate of 30% for one year.
8	0207.12.00	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled, or frozen-- Not cut in pieces, frozen	
9	0207.13.00	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled, or frozen-- Cuts and offal, fresh or chilled	
10	0207.14.00	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled, or frozen-- Cuts and offal, frozen	



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11	2008.11.00	Peanut Butter	(a) Assigned the items as Sensitive for Kenya for one year (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
12	18.06	Chocolate and other food preparations containing cocoa	(a) Assigned the items as Sensitive for Kenya for one year (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
13	04.05	Butter and other fats and oils derived from milk; dairy spreads	(a) Assigned the items as Sensitive for Kenya for one year (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
14	1006.10.00	Rice in the husk	Kenya to stay application of EAC CET rate of 75% or \$345/MT whichever is higher and apply a duty rate of 35% or \$200/MT whichever is higher for one year
15	1006.20.00	Husked (Brown) rice	
16	1006.30.00	Semi milled or wholly milled rice	
17	1006.40.00	Broken rice	
18	3402.20.00	Detergent Powder	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 300/MT whichever is higher for one year
19	3401.19.00	Laundry Soaps	
20	3401.11.00	Bathing Bar Soap/ Toilet Soap	
21	3401.20.10	Soap Noodles	
22	7311.00.00	Liquid Gas Cylinders (LPG)	(a) Kenya to stay application of the EAC CET rate of 0% and apply a duty rate of 25% for one year; and
23	1704.10.00	Chewing gum	(a) Assigned the items as Sensitive for Kenya for one year; (c) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
24	1704.90.00	Other sugar confectionery (sweets)	(a) Assigned the items as Sensitive for Kenya for one year; (c) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
25	1905.31.00	Sweet biscuits	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 525/MT whichever is higher for one year

	HS Code	Description	Decision
26	2103.20.00	Tomato sauce	(d) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or US\$ 250/MT, whichever is higher for one year.
27	2103.90.00	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour & meal & prepared mustard	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or US\$ 500/MT, whichever is higher for one year
28	1901.90.90	Other food preparations of flour, groats, meal, starch	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or US\$ 250/MT, whichever is higher for one year
29	1904.10.00	Prepared foods obtained by the swelling or roasting of cereals or cereal products	Kenya to stay application of EAC CET rate of 75% or \$345/MT whichever is higher and apply a duty rate of 35% or \$200/MT whichever is higher for one year
30		Other	
31	2710.19.51	Lubricants in liquid form	(a) Assigned the items as Sensitive for Kenya for one year; (c) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
32	2710.19.52	Lubricating greases	(a) Assigned the items as Sensitive for Kenya for one year; (c) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
33	2710.19.56	Non-lubricant oils (cutting oils, coolant, anti- rust, brake fluids and similar oils)	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% for one year.
34	8311.10.00	Coated electrodes of base metal, for electric arc-welding	(c) Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 250 per MT whichever is higher for one year
35	3605.00.00	Safety matches	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 1.35 / kg whichever is higher for one year
36	1507.90.00	Refined Soya Bean Oil	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 500/MT whichever is higher for one year
	1511.90.30	RDB Palm Olein	
	1511.90.40	RDB Palm Stearine	
	1511.90.90	Other Palm Oil Refined	
	1512.19.00	Sunflower Oil	
	1515.29.00	Refined Corn Oil	



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37	7317.00.00	Nails, tacks, and drawing pins, corrugated nails staple other than those of heading 83.05 and similar articles of iron or steel, whether or not with heads of other materials	(a) Assigned the items as Sensitive for Kenya for one year; (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
38	1517.90.00	Margarine; edible mixtures	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 500/MT whichever is higher for one year
39	3903.20.00	Styrene Acrylic	Kenya to stay application of the EAC CET rate of 0% and apply a duty rate of 10% for one year
40	3905.91.00	Polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms - Others: Copolymer.	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 0% for one year
41	4410.11.00	Particle board	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 130/MT whichever is higher for one year
	4410.12.00	Oriented strand board (OSB)	
	4410.19.00	other	
	4410.90.00	other	
42	4411.12.00	MDF -- Of a thickness not exceeding 5 mm	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 150/MT whichever is higher for one year
	4411.13.00	MDF -- Of a thickness exceeding 5 mm but not exceeding 9 mm	
	4411.14.00	MDF -- Of a thickness exceeding 9 mm	
	4411.92.00	MDF -- Of a density exceeding 0.8 g/cm ³	
	4411.93.00	MDF -- Of a density exceeding 0.5 g/cm ³ but not exceeding 0.8 g/cm ³	
	4411.94.00	MDF -- Of a density not exceeding 0.5 g/ cm ³	
43	4412.10.00	Plywood - Of bamboo	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 200 per m3 whichever is higher for one year
	4412.31.00	Plywood -- With at least one outer ply of tropical wood	
	4412.33.00	Plywood -- Other, with at least one outer ply of non-coniferous wood	
	4412.34.00	Plywood -- Other, with at least one outer ply of non-coniferous wood not specified under subheading 4412.33	
	4412.39.00	Plywood -- Other, with both outer plies of coniferous wood	

	HS Code	Description	Decision
44	4412.94.00	--Blockboard, laminboard and battenboard	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 225/MT whichever is higher for one year
	4412.99.00	Other	
45	4805.19.00	--Other uncoated paper and paper board in rolls or sheets, not further worked or processed weighing 150g	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% for one year
46	4819.20.10	Skillets, free hinge lid packets	Kenya to stay application of the EAC CET rate of 0% and apply a duty rate of 10% for one year
47	Chapter 61 and 62 (Excluding the sensitive items at 50% rate (6211.42.10, 6211.43.10, 6211.49.10)	Articles of apparel and clothing accessories, knitted or crocheted and Articles of apparel and clothing accessories, not knitted or crocheted	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
48	6405.10.00	Shoes with leather uppers.	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1.5 per pair whichever is higher for one year
49	6405.20.00	With uppers of textile materials	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
	Others		
50	6401.10.00	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes. Covering the ankle but not covering the knee.	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
	6401.92.00	Other	
	6401.99.00	Other footwear with outer soles and uppers of rubber or Plastics. Full Plastic footwear	
	6402.19.00	Footwear with upper straps or thongs assembled to the sole by means of plugs slippers, Flip Flops, and the like.	
	6402.20.00	Other footwear with outer soles and uppers of rubber or Plastics – covering the ankle Other	
	6402.91.00		
	6402.99.00		

	HS Code	Description	Decision
51	6403.20.00	Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 225/MT whichever is higher for one year
	6403.40.00	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather – incorporating a metal toecap	
52	7209.16.00	-- Of a thickness exceeding 1 mm but less than 3 mm	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 10% or USD 125/MT whichever is higher for one year
	7209.17.00	-- Of a thickness of 0.5 mm or more but not exceeding 1 mm	
	7209.18.00	-- Of a thickness of less than 0.5 mm	
	7209.26.00	-- Of a thickness exceeding 1 mm but less than 3 mm	
	7209.27.00	-- Of a thickness of 0.5 mm or more but not exceeding 1 mm	
	7209.28.00	-- Of a thickness of less than 0.5 mm	
	7209.90.00	- Other	
53	7210.30.00	Electrolytically plated or coated with zinc/ aluminium (Metal coating)	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
54	7210.41.00	-- Corrugated	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 275MT whichever is higher for one year
	7210.41.00	(Metal Coated – corrugated, cut, profiled sheets) Other - (Coils (G.I))	
55	7210.61.00	-- Plated or coated with aluminium-zinc alloys	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
56	7210.69.00	-- Other	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 275MT whichever is higher for one year
	7210.69.00	-- Plated or coated with aluminium-zinc alloys	
	7210.90.00	-- Other	
57	7211.23.00	Containing by weight less than 0.25% of carbon (Cold Rolled Steel)	Kenya to stay application of the EAC CET rate and apply a duty rate of 10% or USD 125/MT whichever is higher for one year
58	7211.29.00	-- Other	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 125/MT whichever is higher for one year



	HS Code	Description	Decision
59	7211.90.00	- Other	Kenya to stay application of the EAC CET rate and apply a duty rate of 10% or USD 125/MT whichever is higher for one year
	7212.20.00	- Electrolytically plated or coated with zinc (Metal)	
60	7212.30.00	- Otherwise plated or coated with zinc	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
61	7212.40.00	- Painted, varnished, or coated with plastics	(a) Assigned the items as Sensitive for Kenya for one year; and
	7212.50.00	- Otherwise plated or coated	(b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 300/MT whichever is higher for one year
62	7212.60.00	- Clad	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
63	7216.31.10	-- U sections	Kenya to stay application of the EAC CET rate of 0% and apply a duty rate of 25% or USD 275/MT whichever is higher for one year
	7216.32.10	-- I sections	
	7216.33.10	-- H sections	
	7216.40.10	- L or T sections,	
64	7217.10.00	Wire of iron or non-alloy steel - Not plated or coated, whether or not polished	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
	7222.11.00	- Of circular cross-section	
	7222.19.00	-Other	
	7222.20.00	-- Bars and rods, not further worked than cold-formed or cold-finished	
	7222.30.00	- Other bars and rods	
	7222.40.00	- Angles, shapes, and sections	
65	7225.50.00	- Other, not further worked than cold-rolled (cold-reduced)	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 10% or USD 125/MT whichever is higher for one year
66	7225.91.00	-- Electrolytically plated or coated with zinc (Metal Coated)	Kenya to stay application of the EAC CET rate and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
	7225.92.00	Otherwise plated or coated with zinc (Metal Coated)	
67	7225.99.00	-- Other	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% or USD 275/MT whichever is higher for one year
68	7226.92.00	Flat-rolled products of other alloy steel, of a width of less than 600 mm -- Not further worked than cold-rolled (cold-reduced)	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 10% or USD 125/MT whichever is higher for one year

	HS Code	Description	Decision
69	7226.99.00	Flat-rolled products of other alloy steel, of a width of less than 600 mm -- Other	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 10% or USD 125/MT whichever is higher for one year
70	7306.30.00	- Other, welded, of circular cross-section, of iron or non-alloy steel	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 200/MT whichever is higher for one year
71	7306.40.00	- Other, welded, of circular cross-section of stainless steel	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 200/MT whichever is higher for one year
72	7306.50.00	- Other, welded, of circular cross-section, of other alloy steel	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
	7306.61.00	Of square or rectangular cross-section	
	7306.69.00	-- Of other non-circular cross-section	
	7306.90.00	Other Tubes, pipes, and hollow profiles (for example, open seam or welded, riveted, or similarly closed) of iron or steel.	
73	7217.30.10	--- Of a kind used in the manufacture of tyres	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% or USD 275/MT whichever is higher for one year
74	7308.10.00	Bridges and Bridge Sections	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
	7308.20.00	Towers and lattice masts	
	7308.30.00	Doors, windows and their frames and thresholds for doors	
	7308.40.00	- Equipment for scaffolding, shuttering, propping or pitpropping	
	7308.90.91	Road guard rails	
	7308.90.99	Other (Structural Steelwork)	
75	7318.11.00	-- Coach screws	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
76	7318.12.00	-- Other wood screws	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year

	HS Code	Description	Decision
77	7318.13.00	-- Screw hooks and screw rings	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
78	7318.19.00	-- Other	a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
79	7318.23.00	-- Rivets	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
80	7318.29.00	-- Other	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
81	7320.10.00	Leaf-springs and leaves therefore	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
82	7318.14.00 7318.15.00	-- Other screws and bolts, whether or not with their nuts or washers	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
83	7318.16.00	-- Nuts	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% or USD 350/MT whichever is higher for one year



HS Code	Description	Decision
84 7321.19.00 7321.89.00	- Stove, range, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas rings, plage warmers and similar non-electric domestic appliances, and part thereof, of iron or steel ---other, including appliances for solid fuel ---other, including appliances for solid fuel	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
85 7323.10.00	- Iron or steel wool; pot scourers and scouring or polishing pads, gloves, and the like	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
86 7326.90.90	Other articles of iron or steel.	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
87 8304.00.00	Filing cabinets,	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year
88 9403.30.00 9403.40.00 9403.50.00 9403.60.00	- Wooden furniture of a kind used in offices - Wooden furniture of a kind used in the kitchen - Wooden furniture of a kind used in the bedroom - Other wooden furniture	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 35% for one year
89 9403.10.00 9403.20.00	Other metal furniture	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 35% for one year
90 2007.99.00 2007.10.00	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter— Other	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250/MT whichever is higher for one year



	HS Code	Description	Decision
91	9406.90.90	Prefabricated buildings -Others	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% or USD 350/MT whichever is higher for one year
92	6907.21.00 6907.22.00 6907.23.00 6907.30.00 6907.40.00	Ceramic flags and paving, hearth, or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% or USD 1.75 / SQM whichever is higher for one year
93	6404.11.00	Sports footwear, tennis shoes, basketball shoes, gym shoes, training shoes and the like	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
94	6403.12.00	Ski Boots, cross country ski footwear and snowboard boots	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
95	4202.11.00	Travel Goods (i.e., trunks, suitcases, sports bags, and similar items of leather	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
96	4202.12.00	Toilet bags and cased of leather	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
97	4202.19.00	Other trunks, suitcases, vanity cases, executive cases, and school satchels	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
98	4202.21.00	Handbags with outer surface of leather or of composition leather	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year



	HS Code	Description	Decision
99	4202.22.00	Handbags with outer surface of sheeting of plastics or of textile material	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
100	4202.29.00	Other handbags	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
101	4202.31.00	Articles with outer surface of leather or of composition leather	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
102	4202.32.00	Articles with outer surface of sheeting of plastics or of textile material	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
103	4202.39.00	other articles	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
104	4202.91.00	Other bags, containers with outer surface of leather or of composition leather.	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
105	4202.92.00	other bags, containers with outer surface of sheeting of plastics or of textile materials	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year
106	4202.99.00	Other of vulcanised fibre or of paper board or wholly or mainly covered with such materials or with paper	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate and apply a duty rate of 30% for one year

	HS Code	Description	Decision
107	6403.19.00	Other Sportswear	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
108	6403.51.00	Other footwear-covering ankle	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1.5 per pair whichever is higher for one year
109	6403.59.00	- Other	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1.5 per pair whichever is higher for one year
	6403.91.00	–Other footwear covering the ankle	
	6403.99.00	- Other	
110	6404.19.00	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials -Other	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1 per pair whichever is higher for one year
111	6404.20.00	Footwear; tennis shoes, basketball shoes, gym shoes,	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1.5 per pair whichever is higher for one year
112	8802.11.00	Helicopters of Heading 8802.11.00 of unladen weight of below 2000kgs	Kenya to stay application of the EAC CET rate of 0% and apply a duty rate of 25% for one year
113	8802.12.00	Helicopters of tariff number 8802.12.00 of unladen weight of above 2000kgs	
114	8802.20.00	Aeroplanes and other aircraft, of an unladen weight not exceeding 2,000 kg	
115	7217.20.00	Wire of iron or non-alloy steel - Plated or coated with zinc	Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 25% or USD 250 / MT whichever is higher for one year
116	Heading 8544	Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled. Excluding cables of tariff 854470	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year

	HS Code	Description	Decision
117	8536.50.00	other switches for a volt not exceeding 1,000 volts	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 10% and apply a duty rate of 30% for one year
118	8507.10.00	Lead-acid, of a kind used for starting piston engines	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
119	8507.20.00	Other lead-acid accumulators	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
120	7615.10.00	Aluminium Sufurias, Kettles, Milk Can	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% for one year
121	7313.00.00	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 300 / MT whichever is higher for one year
122	7314.31.00	Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel--- Plated or coated with zinc	(a) Assigned the items as Sensitive for Kenya for one year; and (b) Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 30% or USD 300 / MT whichever is higher for one year
123	7221.00.00	Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel	Kenya to stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 250 / MT whichever is higher for one year
124	7225.30.00	- Other, not further worked than hot-rolled, in coils	Reduced import duty rate from 10% to 0%
125	Various	EAC CET 2017	(a) granted Kenya a stay of application of the EAC CET on originating goods imported from COMESA from 1st July 2021 up to 30th June 2022; and



Our View on the Stay of Application of CET Rates for Kenya

The Stay of Application measures are instituted on both finished and intermediate products and are applied in two scenarios. In the first instance EAC Partner States agree to stay the application of the CET rates and apply a higher duty rate for imported products. The second instance is where EAC Partner States agree to stay the application of the CET rates and apply a lower duty rate for imported products.

The decisions by the EAC Partner States to stay application of the CET rate and apply a higher duty rate are aimed at stimulating local production by safeguarding manufacturing of that particular product against similar cheap imports. Some of the products include textile (garments) and textile products; leather (shoes) and leather products; edible oil; tiles, processed tea; coffee & cocoa; meat & meat products; and steel articles, iron & metal products.

The decision by EAC Partner States to stay application of the CET Rate and apply a lower duty rate is informed by the fact that the region has no sufficient capacity to produce that particular product hence the need to protect East Africans against a higher import duty. In this instance, stay of application was applied to fewer products such as mobile phones, rice in the husk, semi milled or wholly milled rice, sugar, wheat, and barley, among others.

However, one of the critical challenges arising from the existence of numerous Stays of Application is the impediment it creates to the intra-EAC trade as the finished products that benefit from these measures cannot access the regional market at preferential tariff treatment due to the distortion it creates.

Furthermore, these measures erode the EAC CET as a uniform policy against imported products into EAC market. The EAC CET is currently structured under three bands of 25% for finished goods, 10% for intermediate goods and 0% for raw materials and capital goods. In addition, there are a limited number of products under the sensitive list that attract rates above 25% where they range from 35% to 100%. To address this critical challenge, the EAC Partner States should fast track the comprehensive review of the EAC CET so that all countries in the region can uniformly apply the new agreed CET.

It is worthwhile to note that the persistent stay of applications by the Partner States could have been adequately addressed if the Trade Remedies measures envisaged by the Protocol could have been implemented. There is therefore an urgent need for the establishment of the EAC trade remedies committee as prescribed under article 24 of the Protocol on the Establishment of the East African Customs Union. This will enable Partner States to impose countervailing measures such as suspended duties and anti-dumping duties to protect local industries and businesses from unfair trade practices by our trading Partners.



Duty Remission Approvals

The EAC duty remission scheme allows waiver of or reduction of duty on Gazetted inputs imported by Gazetted users set forth under the Gazette. The Gazette stipulates items approved by the council to be imported at a lower rate under remission in accordance with Section 140 of EACCMA and the EAC Duty Remission Regulations, 2008.

Section 140 of the EACCMA empowers the council to grant remission of duty on goods imported for the manufacture of goods in a Partner State. The Council may also prescribe regulations on the general administration of the duty remission. The manufacturers, and the approved quantities of the goods with respect to which remission is granted is published by the Council in the Gazette.

In compliance with section 140, the Council of Ministers has approved a remission of duty on the following raw materials and industrial inputs for the manufacture of goods as follows:

S/N	HS CODE	ITEM DESCRIPTION	REMISSION
1.	Various	Inputs for the assembly / manufacture of mobile phones	Kenya granted a remission of duty to apply a duty rate of 0% for one year.
2.	7310.29.10	Aerosol cans	Kenya granted a remission of duty to apply a duty rate of 0% for one year
3.	1001.99.10 1001.99.90	Hard wheat Other	(a) Kenya a granted remission of duty to apply a duty rate of 10% for one year;
4.	7213.99.00	Other-of circular cross-section measuring more than 14 mm in diameter	Kenya granted remission of duty to apply a duty rate of 0% for one year.
5.	2517.49.00 7210.61.00 3906.90.00	Geobitec Stone Chips Alu-Zinc Coated Steel Coils Acrylic co-polymers	Kenya granted a remission of duty to apply a duty rate of 0% on raw materials and inputs for the manufacture of roofing tiles coated with acrylic paint and the weather side coated with natural sand granules for one year.
6.	4821.90.00 3917.39.00 6806.10.00 7210.61.00 7219.34.00 7220.12.00 7223.00.00 7306.30.00 7318.23.00 3907.99.00 7318.22.00 4016.99.00 4819.10.00 7209.27.00 7217.10.00 7306.40.00 7321.90.00	Inputs and Raw Materials for use in the manufacture of Energy Saving Stoves	Kenya granted a remission of duty to apply a duty rate of 0% for one year.

Our View on the Duty Remissions

The duty remission measures adopted by the EAC Partner States will ensure that local manufacturers can import raw materials and inputs which are not available in the region at a lower rate. These duty remission measures are strictly specific for the gazetted manufacturers who have applied for the importation of a specific amount of input/product at the reduced import duty rate.



Across the East African Community

Motorcycle Assembly

IN EXERCISE of the powers conferred upon the Council of Ministers by Section 140 of the East African Community Customs Management Act 2004, the Council of Ministers has stayed the application of the conditions contained in Legal Notice No. EAC/39/2013 of 30th June 2013 on a remission of duty for motorcycle assembly for one year. In the said Legal Notice, the duty remission on motorcycles was to apply to manufacturers of motorcycles that manufacture specific parts within the region such as main frame, suspension or a combination of seat and seat frame, mudguard, wheel rim, brake gear and exhaust pipe.

The extension of this legal notice by one year is to enable manufacturers to have capacity to be able produce these products.

Special Operating Framework Arrangement – Uganda & Rwanda

Uganda & Rwanda have been granted stay application of EAC CET and apply a duty rate of 0% on goods imported for implementation of projects under a special operating framework with the Government as approved by the Minister responsible for Finance for one year.

It is important that goods benefiting from this scheme shall not enjoy preferential rates. Full CET rates should be applied to avoid distortion. There is need for full disclosure of what these projects are and the goods that are benefitting from the scheme.

Remission on raw materials and inputs to manufacture essential medical products

The EAC Council granted remission of duties to on raw materials and inputs for the manufacture of essential medical products and supplies including masks, sanitizers, coveralls, face shields, PP Gears, and ventilators.

This extension is aimed at addressing the health impact of the COVID-19 pandemic and is a move in the right direction considering that new variants such as the South African variant and the Delta Variants are prevalent in the Partner States. It is also worthwhile to note that the vaccination of people in the Partner States has not reached the desired levels for these measures to be reconsidered.

Preferential Tariff Treatment

The EAC Council has extended conference of Preferential Tariff Treatment of goods meeting the rules of origin emanating from COMESA and the SADC from July 2021 to 30th of June 2022. It is important for this matter to be comprehensively addressed within the confines of the East African Community Customs Management Act which is covered under section 112. This piecemeal extension causes uncertainty to the business environment.

Conclusion

This Advisory note is based on the Council decisions as detailed in the East African Community Gazette Notice, 2021 and only highlights the key changes introduced by the Gazette Notice. This advisory note is provided for general information and not intended to address the circumstances of any particular individual or entity nor a substitute for any tax advisory or professional advice. We have attached a copy of the East African Community Gazette Notice, 2021 for your ease of reference.

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