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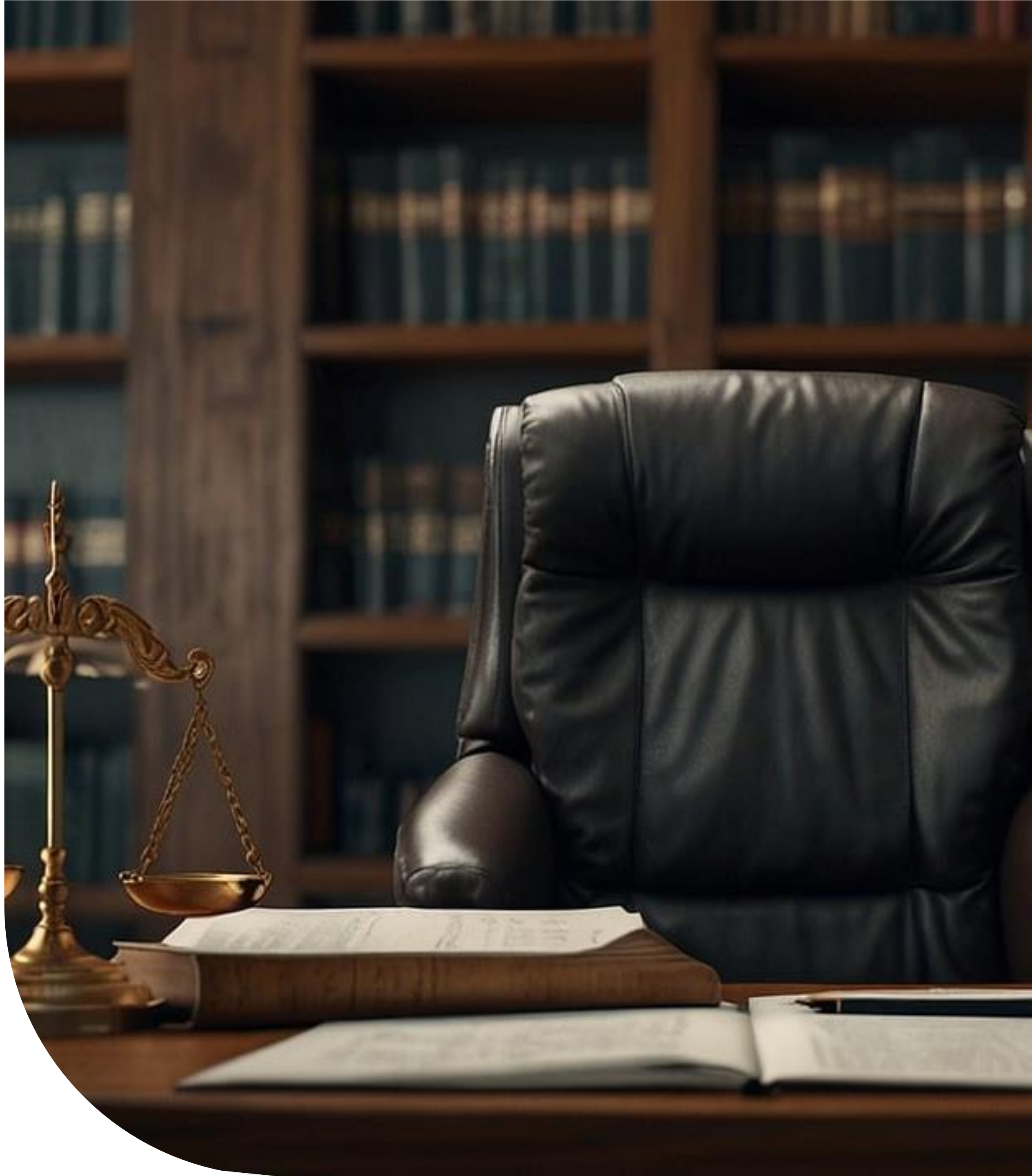
Tax Laws Amendment & Tax Procedures (Amendments) (No2) (Bills)

November 2024

Tax Alert Issue No. 11 of 2024



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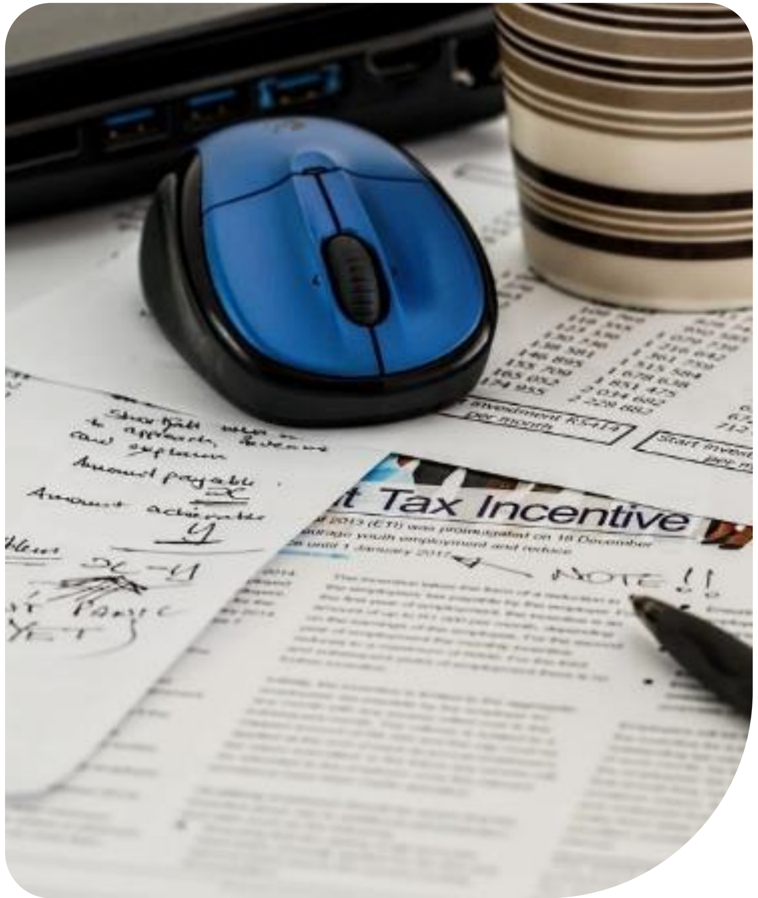


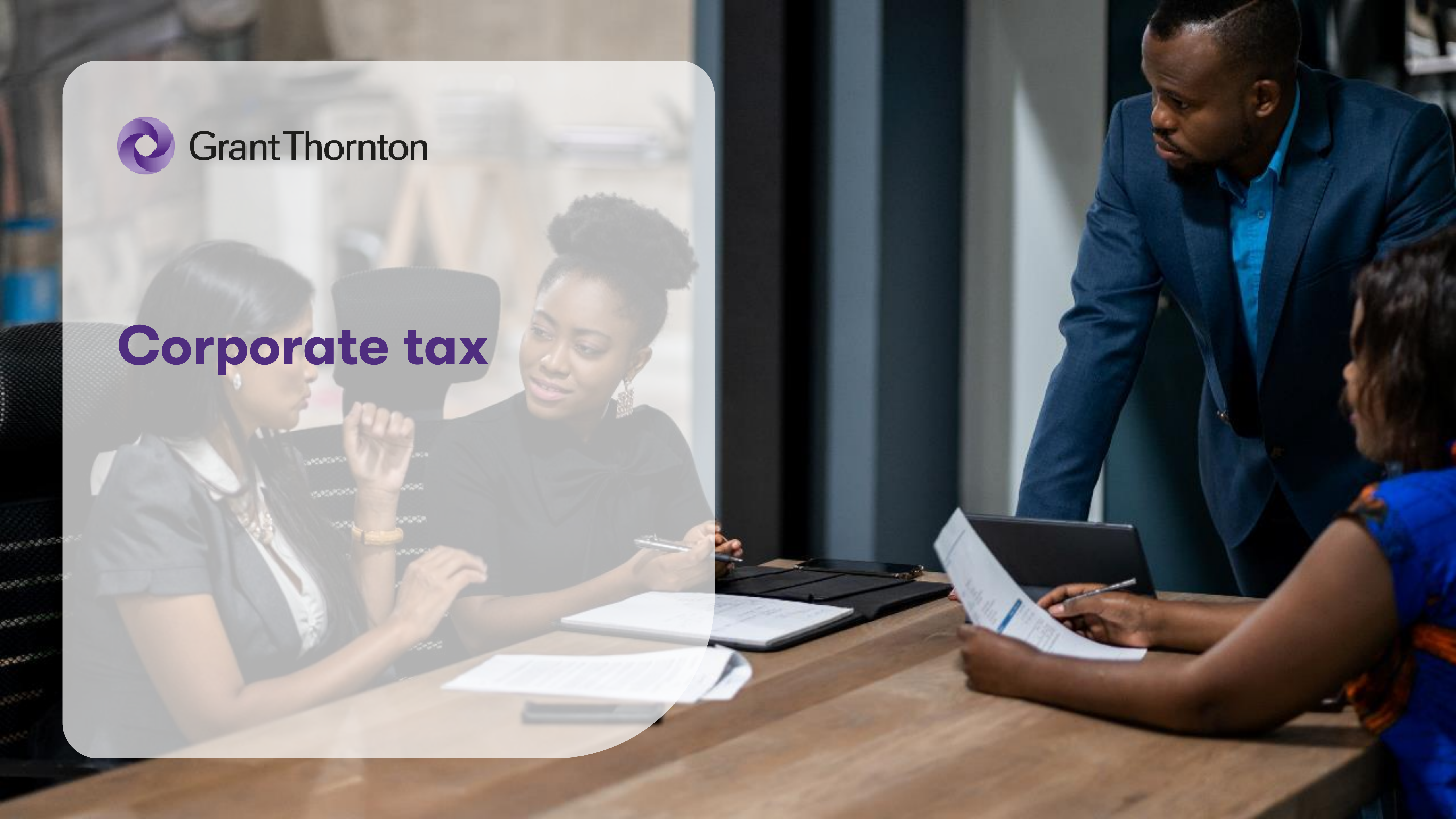
The National Treasury published the Tax Laws (Amendment) Bill, 2024 and the Tax Procedures (Amendment) (No2) Bills which were gazetted on 1st November 2024 and were tabled in parliament on 4th November 2024 by the Leader of majority.

The proposals in the bills seek to reintroduce some of the proposals that were in the Finance Bill 2024, that sparked nationwide demonstrations that resulted in the Finance bill 2024 being withdrawn in its entirety.

The two bills propose to reintroduce a raft of amendments to;
The Income Tax Act, Value Added Tax Act, 2013, Tax Procedures Act, 2015, Miscellaneous Fees & Levies Act, 2016 and the Excise Duty Act, 2015

In this Tax Alert, we analyze changes proposed by the bill and the potential implications.

Corporate tax



General definition of terms

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Expanded definition "Digital Content Monetization"	The Finance Bill, 2024 had proposed to also cover; j. creative works k. Creating or sharing of the material l. Any other material that is not exempt under this act as part of what constitutes digital content monetization.	Proposal dropped.	▶ **This proposal sought to expand the scope of the definition of digital content monetization to encompass a wider range of digital creators but has now been disregarded.**
Definitions **"Individual retirement fund"** **"pension fund"** **"provident fund"**	The ITA defines an "Individual retirement fund", "pension fund", "provident fund" in part to mean funds that have been registered with the Commissioner while the finance bill proposed to delete the words "where the funds have been registered with the Commissioner" from the definitions and introduce that registration of the funds shall be with the Retirement Benefits Authority.	Proposal retained	▶ **The removal of the requirement to register with the Commissioner aligns with current practice where the individual retirement fund, pension fund and provident fund only achieve registration with the retirement benefit authority.**
Clean up and refinement of terms	The finance bill proposed deletion of references to "wife's income" as defined by the ITA in various provisions.	Proposal retained	▶ **The proposed changes seek to harmonize terminology throughout the ITA and establish operational legislation.**

General Definition of Terms

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Definition **“Donation”**	Donations means a benefit in money in any form, promissory note or a benefit in kind conferred on a person without any consideration	The tax law amendment bill broadens the definition of 'donation' to include grants	▶ **This is a welcome change to properly define what a donation is and to remove any ambiguity** ▶ **The changes are set to align the act with the income tax (donations and charitable organisations exemption) rules, 2023 while incorporating grants as part of the scope.**
Definition **“Public Entity”**	“public entity means a ministry, state department, state corporation, county department or agency of the national or county government	Proposal retained	▶ **This change makes it clear which institutions are considered public entities for income tax.**
Definition of “Royalty”	The definition of royalty was expanded to include the following; a) Any software, proprietary or off-the-shelf, whether in the form of license, development, training, maintenance or support fees and includes the distribution of the software	The same definition has been adopted by the tax law amendment bill but excludes the distribution of the software.	▶ **The proposal is seemingly fueled by the decision from 2021 at the High Court case of Seven Seas Technologies where the revenue authority lost its pursuit to collect WHT on distribution of software.** ▶ **In arriving at its decision the High Court agreed that royalties are not chargeable on distribution of software as this is considered a copyrighted – article.** ▶ **In our view, the proposal goes against guidance in Article 12 of OECD Model Tax Convention which provides that tax shall apply on royalty payments where there is exploitation rights assigned to the user.**

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Capital Gains Tax

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Transfer of title of immovable property to a family trust is subject to Capital Gains Tax	The bill proposed to levy capital gains tax on the transfer of property to a family trust	Proposal retained.	▶ **This provision subjects such transfers to Capital Gains Tax, making registered family trusts less attractive as a succession planning tool.**

Withholding Tax

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
WHT on supply of goods to public entities	The Finance bill proposed to levy withholding taxes on payments for supply of goods to a public entity, at 3% and 5% to resident and non-residents respectively.	The tax bill retains this proposal but provides for a lower withholding tax rate of 0.5% to resident while retaining an applicable WHT of 5% to the non-residents.	▶ **The imposition of withholding tax on supplies to public entities will increase the operational costs of businesses, especially those with narrow profit margins. This additional tax liability may be challenging for non-resident investors to recoup, while potentially resulting in higher prices charged to the public entities to compensate for the tax. However, the lower WHT rate aims to enhance tax compliance by widening the tax base being covered.**
Infrastructure Bonds and Green Bonds exempt from income tax	The Finance bill proposed to restrict exemption of Interest income accruing from bonds, notes or other similar securities used to raise funds for infrastructure and other social services listed before the commencement of the proviso and other such Infrastructure Bonds and Green Bonds issued post coming to effect of the proviso by introducing withholding tax at 5% and 15% to resident and non-residents.	The tax bill retains the proposal but provides for a lower withholding tax rate of 5% on interest earned by non-residents.	▶ **This increases government collections while encouraging foreign investments at minimal tax rate.`**

Employment Tax

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Increased non-taxable benefits in kind	The Finance bill proposed to increase the non-taxable benefit limit from thirty-six thousand to forty-eight thousand per annum.	Similarly, the tax bill proposes to increase the non-taxable benefit limit from thirty-six thousand (Kes 36,000) to sixty thousand per annum(Kes 60,000).	▶ **This is meant to benefit both the employee by having additional perks without bearing more weight on his/her taxable income and the employer by using such benefits to incentivize and retain talent.**
Increase of meal benefit to employees	The bill proposed to increase the value of non-taxable meal benefits served to employees to sixty thousand per year(Kes 60.000 p.a).	Proposal to increase meal benefit to sixty thousand per year retained. The current limit is forty-eight thousand per year.	▶ **This is a welcome relief as the previous limit was not commensurate with the current economic conditions and increased cost of living.**
Increased per diem	Currently the first Ksh 2,000 per day paid to an employee when outside their usual place of work while on official duty (per diem) is treated as reimbursement of expenses and is exempt from tax any amount after that is taxable where no supporting documents are provided. The bill proposed to amend the current provisions to an amount not exceeding five per cent of the monthly gross earnings of the employee.	Deleted	▶ **The Finance bill proposal aligned with the current economic conditions signified by high cost of living especially with employees traveling outside Kenya to countries with high cost of living to carry out their employment obligations. In essence, this would not only benefit the employee but also employers intending to also attract top talent.** ▶ **Relinquishing this provision poses significant challenge in fulfilling such obligations, both within the country and in international settings, where costs of living and operational expenses can be substantially higher. This should have been reconsidered, resulting to a proposed increase of the amount to Ksh 4,000 as the new compensation.**

Employment Tax

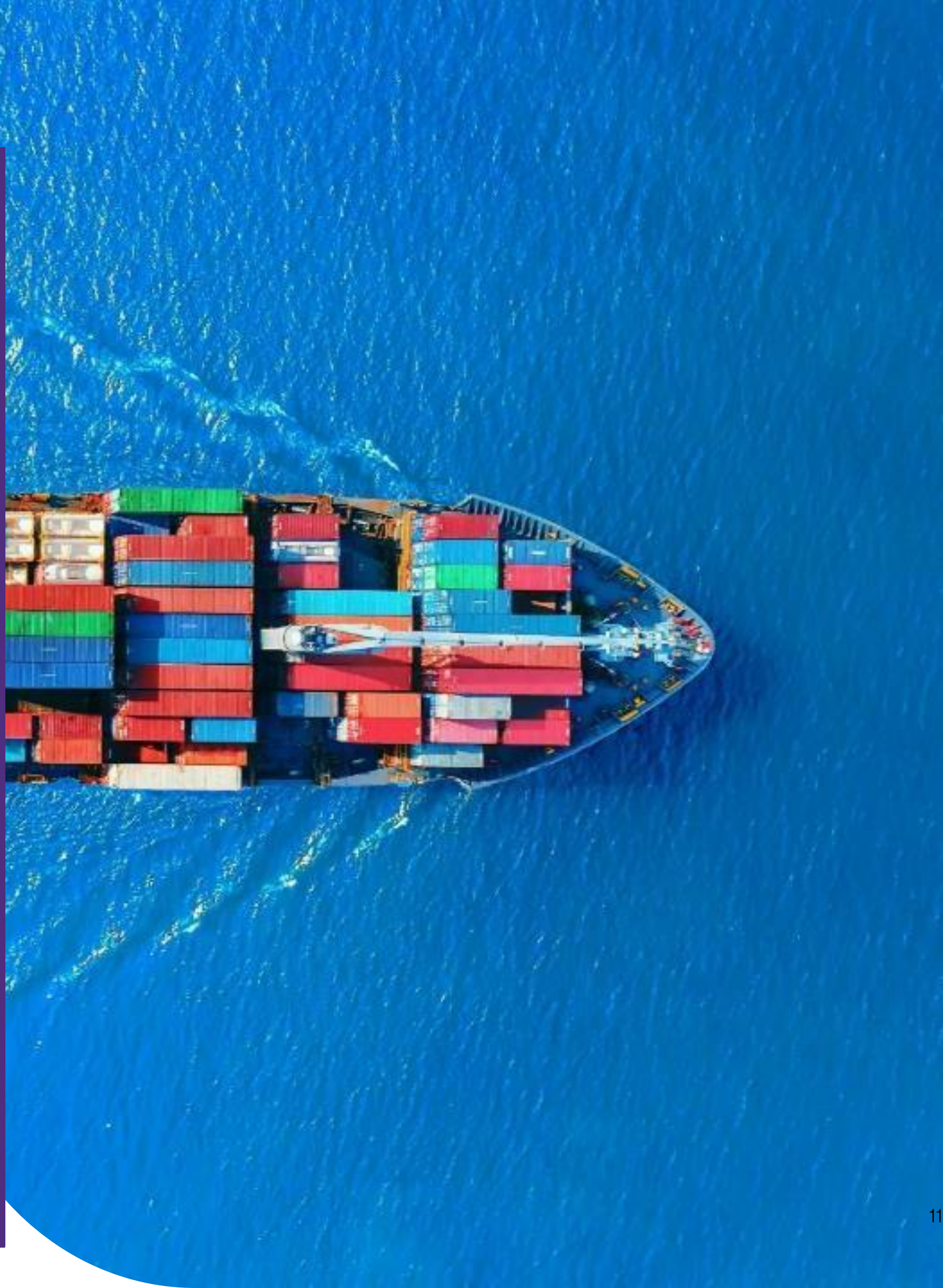
Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Increased pension relief , retirement, provident fund and NSSF contribution	The bill proposed to increase the pension & provident fund relief up to KES 360,000 per annum or Kes 30,000 per month.	The amendment bill proposes to maintain this.	▶ **This provision seeks to increase the pension & provident fund from currently at Ksh 240,000 to Ksh 360,000 per annum which encourages a saving culture for retirement purposes and also increases tax relief.**
Exemption of pension benefits in special circumstances	The proposal sought to extend the exemption to those who choose to retire early due to health challenges or attainment of twenty years after registration	The amendment bill proposes to maintain this with few additions and revision. 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 gratuity 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.	▶ **The amendment bill has revised provisions in the FB 2024 to cover a wider range of funds, including public pension schemes.** ▶ **In addition, revised provision offers more exemptions, such as gratuity payments and annuity payments under public pension schemes.**

International Taxes

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Qualified Domestic Minimum Top-up Tax (QDMTT)	Section 12G of the ITA; A covered person is required to pay a minimum top-up tax if their effective tax rate for a year is less than 15%.This is calculated by dividing the sum of adjusted covered taxes (taxes paid on income, profits, or profit distributions) by the net income or loss for the year, then multiplying by 100. • The top-up tax is the difference between 15% of the net income or loss and the actual effective tax rate, multiplied by the "excess profit." • The tax doesn't apply to public entities, entities with exempt income, pension funds, certain real estate and investment vehicles, sovereign wealth funds, and intergovernmental organizations. • Adjusted covered taxes mean taxes recorded in financial accounts, including those on distributed profits. • Covered person means a Kenyan resident or entity in a multinational group with significant global turnover. • Net income or loss mean net income or loss after deducting certain expenses. • Excess profit mean net income or loss minus 10% for employee costs and 8% for tangible asset value (with potential adjustments). • The minimum top-up tax will come into effect on January 1, 2025.	The tax laws amendment bill retains the current provision but slightly modifies the definition of adjusted covered taxes. 12G (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 included taxes on distributed profits deemed profit distribution under this Act subject to such adjustments as may be prescribed;	► **The amendment bill retains the current provision but slightly modifies the definition of adjusted covered taxes. The revised definition substitutes "covered person" for "constituent entity."** ► **The proposed introduction aims to align Kenya's income tax legislation with the global minimum tax standards outlined in the OECD/G20 BEPS Pillar 2 project.** ► **The GloBE Rules require multinational corporations (MNEs) with a global turnover exceeding €750 million to pay a minimum 15% tax rate on their profits in each jurisdiction.** ► **Kenya is adopting similar rules to ensure that MNEs operating within its borders contribute their fair share of taxes.** ► **This tax is designed to ensure that MNEs meet the 15% minimum tax rate and will expand Kenya's tax base by bringing more MNEs under its tax net.** ► **MNE groups must have consolidated annual turnovers at or above EUR 750 million (approximately Kes. 100 Billion).**

Transfer Pricing

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Definition **“Related person”**	Related person means in the case of two persons either person who participates directly or indirectly in the management, control or capital of the business of the other person, and in the case of more than the two persons,- • Any other person who participates directly or indirectly in the management, control or capital of the business of the two persons; or • An individual who- (i) Participates directly or indirectly in the management ,control or capital of the business of the two person; and (ii) Is associated to the two persons by marriage, consanguinity or affinity and the two persons participate in the management, control or capital of the business of the individual	Deleted	► **The definition of a "related person" remains as provided under Section 2 and the eighth schedule of the ITA.** ► **The previous provision aimed at harmonizing the two provisions of the ITA defining a related person without duplication of the same that may lead to confusion and misinterpretation.**



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Introduction of Advance Pricing Arrangements	The Bill proposed to extend the eligibility for Advance Pricing Agreements (APAs) valid for a period of five years, to non-resident entities conducting business with Kenyan residents or through a permanent establishment in Kenya, as well as to resident entities with related parties operating in preferential tax regimes.	Deleted.	▶ **Contrary to our expectations, the APA provision from FB 2024 has not been carried over to the amendment bill yet the OECD guidelines support APAs as a viable administrative solution for transfer pricing disputes.** ▶ **Without a clear framework for APAs, taxpayers continue to face greater uncertainty regarding transfer pricing obligations, complex and time-consuming dispute resolution processes and overall, discourages foreign investments by related parties.**

International taxes

Issue	Finance Bill 2024 Provision	Tax Laws (Amendment) Bill, 2024	Our comments
Introduction of significant economic presence tax	The Bill proposed to repeal the digital service tax and introduce a significant economic presence (SEP) tax on non-resident persons deriving income from the provision of services in Kenya through digital marketplaces. In line with this, the Bill had proposed to exempt the following incomes from SEP tax; • Payments for management, professional, interest fees or royalties by a resident person or a person with a permanent establishment. • The provision of telecommunications services, including cable, radio, optical fiber, television, satellite, and internet-based communications. A proposed tax rate of 30% on taxable profits i.e. 20% of the gross turnover, which shall be due on or before the 20th day of the month following the month in which the service was offered.	The amendment bill proposes to retain the provisions in the FB 2024 and consequently provides that a non-resident person shall be considered to have significant economic presence where the user of the service is located in Kenya while providing exemption on income from; • A non-resident person who offers the services through a permanent establishment; • The business of transmitting messages through various electronic means, such as cable, radio, fiber optics, television, satellite, or the internet; or • A non-resident person providing digital services to an airline in which the government of Kenya has at least forty-five per cent shareholding The bill provides that the taxable profit of a person liable to pay the tax shall be deemed to be 10% per cent of the gross turnover taxable at 30% and payable on or before the twentieth day of the month following the end of the month in which services was offered.	**The FB proposed introduction of the significant economic presence tax overhaul the existing digital service tax provisions which the amendment bill proposes to maintain the status quo with minor additions and modifications. These changes include:** ► **Clarification of the definition of a non-resident for purposes of SEP.** ► **Introduction of an additional exemptions provision on non-resident persons providing digital services to an airline in which the GOK holds a minimum of 45% shareholding.** ► **A reduction of the tax rate on gross turnover from 20% to 10%** ► **Presently, a 1.5% tax is imposed on the gross earnings derived from digital services. Concurrently, a SEP tax of 30% of 10% of the non-residents gross turnover is being proposed for non-residents with a substantial economic presence in Kenya.** ► **To alleviate the administrative burden, materiality thresholds need to be introduced to exempt non-residents with insignificant Kenyan income.** ► **Additional guidelines are anticipated to provide further clarity on the matter.**

Value added tax

Value Added Tax

Issue	Finance Bill 2024 Provision	The Tax Laws (Amendment) Bill, 2024	Our comments
Time of Supply for Exported Goods	The Finance Bill proposed to insert a new subsection that provides that the time of supply for exported goods shall be the time when the registered person is in possession of the required export confirmation documents.	The Tax Bill proposes to amend section 12 of the Value Added Tax to offer clarity on time of supply of exported goods. That provides that the time of supply for exported goods shall be the time when the certificate of export or such other equivalent export document has been issued by Customs.	**This is a welcome proposal as there was lack of clarity on when exactly is the time deemed for supply of exported goods. This will also assist in ensuring compliance with regards to export where taxpayers will be required to obtain proper export documentation in support of the exports made.**
Apportionment of input VAT	The VAT Act 2013 provided for apportionment of the amount of input VAT claimable by registered VAT taxpayers with both taxable and exempt supplies. ((Value of all taxable supplies made /Value of all supplies made)*100%) If the fraction of the formula (a) is more than 90%, the registered person shall be allowed an input tax credit for all of the input tax comprising component A of the formula; or (b) is less than 10%, the registered person shall not be allowed any input tax credit for the input tax comprising component A of the formula. The Bill proposes to delete this provision of apportionment of VAT on mixed supplies.	The proposal has been retained in the Tax Law (Amendment Bill) 2024.	**Taxpayers dealing with mixed supplies will be required to apportion input tax incurred regardless of the percentage of taxable sales. Currently persons with taxable sales over 90% can claim full input tax. With the new provisions, they will be required to apportion.**
Deduction of input Tax with respect to taxable supplies made to an aid funded project	The Finance Bill proposed to delete Section 17(8) of the VAT Act, 2013 which provides that notwithstanding the provisions of this section, a registered person who is a manufacturer may make a deduction for input tax with respect to taxable supplies made to an official aid funded project as may be approved by the Cabinet Secretary in accordance with the First Schedule.	The proposal has been retained in the Tax Bill.	**Supplies to officially aid-funded projects are currently exempt and suppliers with the approval from the cabinet secretary could claim input tax. The proposal to delete this provision means that suppliers of official aid funded projects will not be able to make a request to claim input tax from the cabinet secretary.**

Exempt to Standard rated

Item	Current Provision	The Tax Laws (Amendment) Bill, 2024
Direction-finding compasses, instruments and appliances for aircraft.	Exempt	Standard rated
Such capital goods the exemption of which the Cabinet Secretary may determine to promote investment in the manufacturing sector.	Exempt	Standard rated
Taxable goods supplied to persons that had an agreement or contract with the Government prior to 25th April 2020 and the agreement or contract provided for exemption from value added tax.	Exempt	Standard rated
IP super soft fluff pulp — for-fluff 310 treated pulp 488 * 125mm (cellose) of tariff number 4703.21.00.	Exempt	Standard rated
Any other aircraft spare parts imported by aircraft operators or persons engaged in the business of aircraft maintenance upon recommendation by the competent authority responsible for civil aviation.	Exempt	Standard rated
8802.30.00 Aeroplanes and other Aircrafts on unladen weight exceeding 2,000 kgs but not exceeding 15,000 kg.	Exempt	Standard rated
8802.60.00 Spacecraft (including satellites) and suborbital and spacecraft launch vehicles	Exempt	Standard rated
8802.40.00 - Aeroplanes and other Aircraft of unladen weight exceeding 15,000 kg.	Exempt	Standard rated

Value Added Tax

Issue	Finance Bill 2024 Provision	The Tax Laws (Amendment) Bill, 2024	Our comments
Additional Change from Exempt status of services to taxable.	No proposal was proposed as per the Finance Bill.	The Tax Bill proposed to remove the specified services from VAT exemption to taxable status. The following services: • Air ticketing services supplied by travel agents. • Entry fees into the national parks and national reserves. • The services of tour operators, excluding in-house supplies.	**Adding VAT increases the price of air ticket services and potentially decrease demand for such services. The travel agents may lose their competitive edge as compared to foreign competitors.** **Charging VAT on entry fees into the national parks and national reserves will make the fees prohibitively expensive leading to families, tourists and budget travelers seek alternative non-vat charging recreation options.** **This will increase the overall cost of tour packages which would discourage tourists, particularly during economic downturns.**
Application of East African Community Customs Management Act, 2004	• No proposal as per the Finance Bill.	The Tax Bill proposes an insertion of the words "and exported goods" immediately after the words "imported taxable goods", under section 65 of the VAT Act.	**This proposal is made to expand the application of the East African Community Customs Management Act (ECCMA) for VAT purposes to exported goods.**
Charge of VAT on Betting, Gaming and Lotteries Services	The Finance Bill proposed to delete the VAT exemption for betting, gaming and lotteries services. These services will now be subject to VAT at the standard rate of 16%.	The proposal has been retained in the Tax law Amendment Bill 2024.	**The change of VAT status from exempt to standard rate will most likely lead to over taxation of the betting industries considering increased tax rates already imposed on the gambling industry in Kenya.** **The move is however targeted to increase the revenue collections from the betting industry.**
Change from taxable status to exempt goods status for Aircraft parts	Presently, the VAT Act 2013 limits the exempt status of aircraft parts to: Aircraft parts of heading 8803, excluding parts of goods of heading 8801. The Bill proposes to expand the scope of aircraft parts exempted from VAT to include all parts of aircrafts under chapter 88.	The Tax Bill proposes to expand the scope of aircraft parts exempted from VAT to include all parts of aircrafts under chapter 88 excluding helicopters.	**The change of aircraft parts status from taxable goods to exempt goods will reduce the cost of supply and importation of aircraft parts apart from helicopters. This is good news to businesses dealing with importation and supply of aircraft parts in the country as costs of aircraft parts will reduce.**
VAT exemption of transfer of business as a going concern	The Finance Bill proposed to amend First Schedule of VAT Act by introducing Paragraph 35 immediately after paragraph 34, thus providing the transfer of business as a going concern exempt from VAT.	The proposal has been retained in the Tax Bill.	**Transfer of Business as Going Concern (TOGC) being exempted from VAT means that VAT will now not be charged on the transfer of business. This reduces the cashflow burden of paying VAT to the buying entity.**

Value Added Tax

The Tax Bill proposes the addition of the supply or importation of the following goods to Exempt status category;

Item	Current Provision	The Tax Laws (Amendment) Bill, 2024
• 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	Zero rated	Exempt
• Agricultural pest control products	Zero rated	Exempt
• Fertilizer of Chapter 31	Zero rated	Exempt
• Inputs or raw material locally purchased or imported by manufacturers or fertilizer as approved from time to time by the Cabinet Secretary responsible for Agriculture.	Zero rated	Exempt

This proposal, taxpayers will be restricted from claiming input VAT incurred on such supplies.

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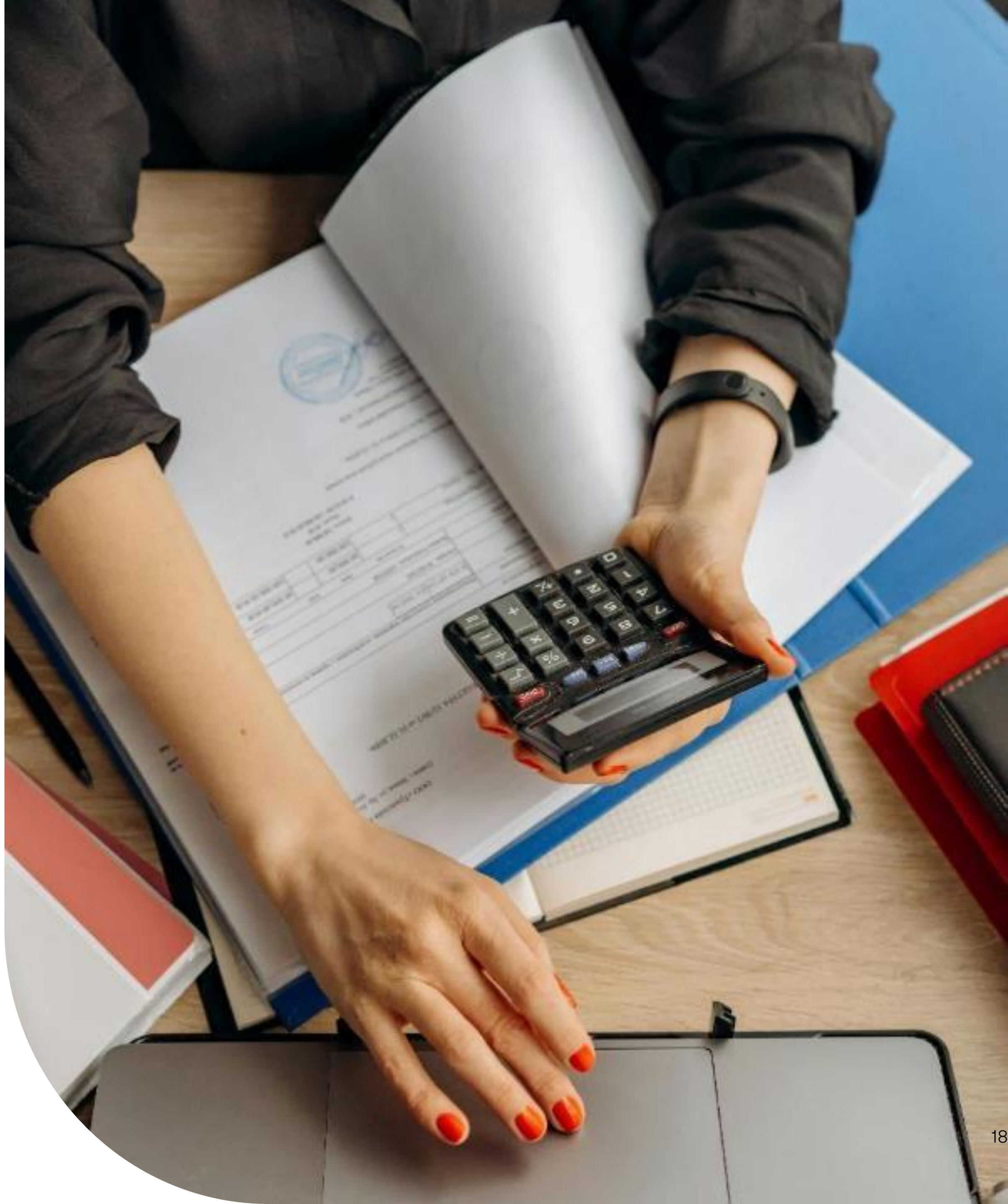

Excise duty

Excise Duty

Issue	Finance Bill	The Tax Laws (Amendment) Bill, 2024	Our comments
Introduction of excise duty on excisable services offered by a non-resident through a digital platform	The bill proposed to introduce excise duty on excisable services provided in Kenya by non-residents via digital platforms. The excise duty shall be payable by the non-resident person offering the service.	The Amendment bill has retained the introduction of Excise Duty on excisable services offered in Kenya by a non-resident through a digital platform.	▶ **The proposal expands the scope of excise duty to capture revenue from excisable digital services offered by non-resident companies.** ▶ **The proposal also aims to address the current imbalance by extending excise duty to non-resident companies offering digital services in Kenya. This creates a more level playing field for Kenyan providers who were previously disadvantaged.**
Empowering the cabinet Secretary responsible for National Treasury to exempt spirit made from agricultural products in Kenya from excise duty	The bill proposed to empower the Cabinet Secretary responsible for National Treasury to exempt spirit made from sorghum, millet or cassava or any other agricultural products (excluding barley) in Kenya are subject to excise duty from excise duty.	The Amendment bill has retained the proposition of inserting the expression "spirit" to thereby excluding Spirits made from locally grown agricultural products from excise duty, except barley .	▶ **This is a welcome proposal since it will offer a double boost to the Kenyan economy. By exempting sorghum, millet, and cassava-based spirits from excise duty, the government will incentivize farmers growth on above crops thereby benefiting the overall agricultural sector.** ▶ **Additionally, this exemption could lead to lower production costs for certain spirit-producing industries, potentially bringing down cost of business for these companies.**
Extension of timeline for payment of excise duty by manufacturers of alcoholic beverages	The bill proposed to extend the timeline for payment of excise duty by licensed manufacturers of alcoholic beverages to five (5) working days, upon removal of the goods from the stockroom.	The Amendment bill has proposed extension on the time frame on remission of excise duty by alcoholic beverage manufacturers to remit payments on excise duty by the 5th of the following month from the proposed five (5) working days, upon removal of the goods from the stockroom.	▶ **This proposal offers relief to the manufacturers as they now have ample time to remit their excise duty payments.**
Timeframe for processing license applications.	The bill proposed to introduce a 14-day timeline for the commissioner to consider and either grant or refuse to grant an application for a license.	There are is no mention in the Amendment bill of timelines for the commissioner to consider to either grant or refuse to grant an application for a license.	▶ **In the absence of clear timelines on Commissioner's response to the processing of applications this leaves taxpayers at a disadvantage as the proposal of timelines would ensure the processing of licences is efficient and on time saving time and effort for applicants.**

Excise Duty

Issue	Finance Bill	The Tax Laws (Amendment) Bill, 2024	Our comments
Excise duty on imported sugar	In the finance bill, there's no excise duty proposed on imported sugar. The excise duty Act on the other hand provides for excise duty on Imported sugar excluding imported sugar purchased by a registered pharmaceutical manufacturer at Kes 5 per Kg.	The amendment bill has deleted the description "Imported sugar excluding imported sugar purchased by a registered pharmaceutical manufacturer " and substituted it with "Imported sugar excluding sugar imported by a registered manufacturer and raw sugar imported by a licensed sugar refinery " that will be subject to excise duty of Kes 7.5 per Kg.	▶ **The proposed increase in excise duty will increase the revenue collection and cushion local sugar manufacturers.** ▶ **The exclusion of excise duty on registered local manufacturers is a welcome move as this will reduce their cost of production.**
Excise duty on locally assembled electric motor vehicles	The finance bill did not provide for this inclusion.	The bill proposes include "locally assembled electric vehicles" as motor vehicles that will be excluded from excise duty of 20%.	▶ **The proposal aims to stimulate trades of locally assembled electric motor vehicles, coinciding with the President's national e-mobility programme of adopting low-carbon and efficient electric mobility systems, in an effort to reduce air pollution.** ▶ **The proposed amendment will see the electric vehicles being more competitive as compared to fully assembled electric vehicle and fuel propelled vehicles imported.**
Excise duty on Internet and social media	As per the finance bill proposed there was no mention of advertisement on the following medias "internet" and "social media" being subjected to excise duty	The amendment bill proposes to include advertisement on internet, social media, television, print media, billboards and radio stations on alcoholic beverages, betting, gaming, lotteries and prize competitions at the rate of 15%.	▶ **The proposal is pegged on expanding the tax base for excise duty on advertisements of alcoholic beverages, betting, gaming, lotteries and prize competitions which will lead to price increment to consumers and increased revenue collection for the country.**

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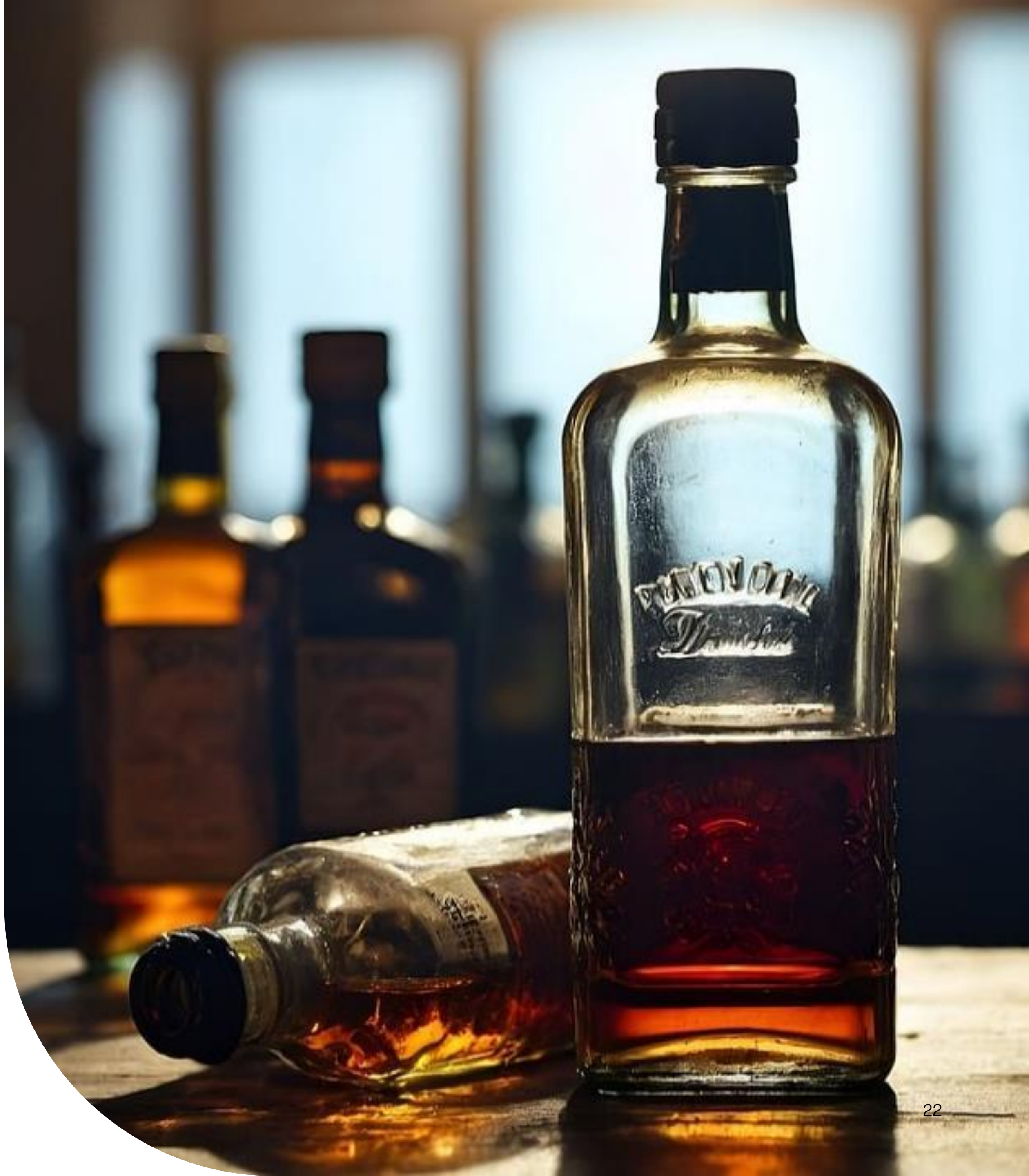
Excise Duty

Beverage	Finance bill Proposed rate	The Tax Laws (Amendment) Bill, 2024 Proposed rate	Our comments
Spirits of undenatured ethyl alcohol; spirits liqueurs and other spirituous beverages of alcoholic strength exceeding 6%	Shs. 16 per centillitre of pure alcohol	Shs. 10 per centillitre of pure alcohol	▶ The proposed change is in response to IMF backed resets and Medium Term Revenue Strategy to review how alcoholic beverages are taxed. The proposal changes this to be computed on pure alcohol content rather than the overall composition of the beverage, as on observation that these beverages contain other ingredients in addition to the pure alcohol.



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Excise Duty

Increase in rates

Item	Current Rate	Finance bill Proposed rate	The Tax Laws (Amendment) Bill, 2024 Proposed rate	Our comments
Imported sugar confectionary of tariff heading 17.04	Shs 42.91 per kg	Shs. 257.55 per kg	Shs. 85.82 per kg.	▶ **This proposal is a reduction from the proposed bill rate however the overall effect is an increase the cost of confectionary sugar under the specific tariff head as compared to rate in the Excise duty Act.** ▶ **The proposal will encourage local manufacturers to take up the production locally.**
Excise duty on imported articles of plastic	The Excise Act imposes excise duty on Imported Articles of plastic of tariff heading 3923.30.00 and 3923.90.90 at the rate of 10%	The bill proposed to delete the word "Imported" thereby deeming all articles of plastic of tariff heading 3923.30.00 and 3923.90.90 subject to excise duty at the rate of 10%.	The bill proposes substituting and introducing excise duty on Imported self-adhesive plates, sheets, film, foil, tape, strip, and other flat shapes of plastics but excluding those originating from East African Community Partner states that meet the rules of origin at the rate of 25% or Shs. 75 per kg, whichever is higher	▶ **The proposal seeks to impose excise duty on the highlighted plastics while supporting trade within its partner states by excluding compliant products from EAC.**
Beer, Cider, Perry, Mead, Opaque beer and mixtures of fermented beverages with non-alcoholic beverages and spirituous manufactured by licensed small independent brewers.		No proposal in relation to this	Shs. 10 per centillitre of pure alcohol	▶ **The proposal is in response to IMF backed resets and Medium Term Revenue Strategy to review how alcoholic beverages are taxed. The proposal changes this to be computed on pure alcohol content rather than the overall composition of the beverage, as on observation that these beverages contain other ingredients in addition to the pure alcohol.** ▶ **The proposal will see a sharp increase in spirits with more than alcohol content thus allow fairness in the computation of excise duty.**

Excise Duty

Changes in excise duty rates for excisable services

Service	Current Rate	Finance bill rate	The Tax Laws (Amendment) Bill, 2024 Proposed rate	Our comments
Betting on the amount wagered or staked.	12.5%	20%	15%	▶ **Although there is a decrease in the proposed rate there is an overall increase in comparison to the current rate as per the Excise duty act.** ▶ **This proposed increase is likely to further discourage the consumption of betting, gaming and lottery services in addition to raising revenue for the government.**
Gaming on the amount wagered or staked.	12.5%	20%	15%	
Prize Competition on the amount wagered or staked.	12.5%	20%	15%	
Lottery on the amount wagered or staked.	12.5%	20%	15%	

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Excise Duty

Proposed changes retained on Excise Duty of goods and services

Item	Current Rate	Finance Bill Rate	The Tax Laws (Amendment) Bill, 2024 Proposed rate	Our comments
Coal		5% of the value or KSh. 27,000 per metric ton whichever is higher	5% of the value or KSh. 27,000 per metric ton whichever is higher.	▶ **The proposal aims to discourage the extraction and use of coal in a bid to reduce environmental pollution.**
Wines including fortified wines, and other alcoholic beverages obtained by fermentation of fruits	Shs. 243.43 per litre	Shs. 22.5 per centillitre of pure alcohol	Shs. 22.5 per centillitre of pure alcohol	▶ **The proposed change is in response to IMF backed resets and Medium Term Revenue Strategy to review how alcoholic beverages are taxed. The proposal changes this to be computed on pure alcohol content on observation that these beverages contain other ingredients in addition to the pure alcohol.** ▶ **The proposal will see a sharp increase in spirits with more than 40% alcohol content.**
Beer, Cider, Perry, Mead, Opaque beer and mixtures of fermented beverages with non-alcoholic beverages and spirituous beverages of alcoholic strength not exceeding 6%	Shs142.44 per mille	Shs. 22.5 per centillitre of pure alcohol	Shs. 22.5 per centillitre of pure alcohol	
Cigarette with filters (hinge lid and soft cap)	Shs. 4,067.03 per mille	Shs. 4,100 per mille.	Shs. 4,100 per mille.	▶ **These products have over the years proven to have inelastic demand. Though the increase in Excise Duty may be implemented to discourage consumption, the main purpose serves to increase revenue collection.**
Cigarettes without filters (plain cigarettes	Shs. 2,926.41 per mille	Shs. 4,100 per mille.	Shs. 4,100 per mille.	
Liquid nicotine for electronic cigarettes	Shs. 70 per millilitre	Shs. 100 per millilitre	Shs. 100 per millilitre.	
Products containing nicotine or nicotine substitutes intended for inhalation without combustion or oral application but excluding approved medicinal products	Shs. 1,595.00 per kg	Shs.2,000 per kg.	Shs.2,000 per kg.	
Telephone and internet data services are taxable at 15% of excisable value .	15%	No proposal	20%	▶ **This is likely to increase the cost of telephone and internet data which could exacerbate the digital divide, making internet access less affordable for low-income households and harmful to the overall cost of doing business in the country.**

Excise Duty

Proposed Excise Duty on Goods and services

Item	The Tax Laws (Amendment) Bill, 2024 Proposed rate	Our comments
Imported Electric Transformers	25%	▶ The proposed change is aimed at enhancing revenue collection on the items adjusted.
Imported printing ink excluding those originating from East African Community partner states that meet the East African Community Rules of Origin	15%	▶ The proposal would impose excise duty onimported printing ink from other states while supporting trade within the EAC by exempting compliant products from partner states.
Imported ceramic sinks, wash basins, wash basins pedestals, bidets, water closets pans, flushing cisterns, urinals, and similar sanitary fixtures	35% of the customs value or Shs. 100 per kg	▶ The proposed change is aimed at enhancing revenue collection on the items adjusted. However, the consumers will doubtful carry the burden of the higher prices for the goods.
Imported float glass and surface ground or polished glass in sheets, whether or not having an absorbent, reflecting or non-reflecting layer	35% of the customs value or Shs. 200 per kg	
Imported ceramic flags and paving, hearth or wall tiles, unglazed ceramic mosaic cubes and the like whether or not a backing; finishing ceramics of tariff 6907	35% of custom value or Shs 300 per kg	
Imported saturated polyester of 3907.99.00	20%	
Imported polymers of vinyl acetate/vinyl esters of 3905.21. 00	20%	
Imported emulsion-styrene acrylic of 3903.90.00	20%	

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Tax Procedures Act

Tax Procedures Act

Issue	Proposal as per Finance bill	Proposed provision as per Tax Procedures (Amendment)Bill	Comments
Electronic Tax Invoice	No proposal as per the finance bill 2024	Section 23A is expanded by inserting new subsections immediately after subsection (2). (2A) An electronic tax invoice issued under subsection (2) shall contain the following information— (a) the words "TAX INVOICE"; (b) the name, address and PIN of the supplier; (c) the name, address and PIN if any, of the purchaser; (d) the serial number of the tax invoice; (e) the date and time which the tax invoice was issued and the date and time which the supply was made. if it is different from the date the tax invoice was issued; (f) the description of the supply including quantity of the goods or the type of services; (g) the details of any discount allowed at the time of supply; (h) the consideration for the supply; (i) the tax rate charged and total tax amount of tax charged; and (j) any other prescribed information.	▶ **The proposed amendment seeks to align the record-keeping requirements of the TPA with respect to the adoption of TIMS and ETIMS.** ▶ **The amendment breaks down the requirements for what is to be considered a valid electronic invoice which taxpayers will now be required to maintain. This change streamlines the record-keeping section to include the electronic tax invoices introduced by the Finance Act 2023.** ▶ **This is a necessary alignment as the Tax Procedures Act deals with administrative procedures.**
	No proposal as per the finance bill 2024	The bill proposes to expand Section23A by introducing a new subsection immediately after subsection(3) 3A without prejudice to subsection(3) where a supply is received from a small business or a smallscale farmer,whose turnover does not exceed one million the purchaser shall issue a tax invoice for the purpose of ascertaining tax liability	▶ **The proposed amendment seeks to introduce reverse invoicing for supplies made by a supplier where the purchaser can issue out a tax invoice on behalf of the supplier.** ▶ **The proposed amendment also indirectly introduces a threshold for which an etims compliant invoice is needed which is for businesses whose turnover do not exceed one million**

Tax Procedures Act

Issue	Proposal as per Finance Bill 2024	Proposed provision as per Tax Procedures(Amendment)Bill	Our comments
Doubt or difficulty in recovery of tax	The current legislation provides for Tax Amnesty on penalty and interest.	The bill proposes to introduce Section 37 F which states that: 1. This section applies where the Commissioner determines that— a) it may be impossible to recover an unpaid tax; b) there is undue difficulty or expense in the recovery of an unpaid tax; c) there is hardship or inequity in relation to the recovery of an unpaid tax; or d) there is any other reason occasioning inability to recover the unpaid tax. 2. With the prior written approval of the Cabinet Secretary the commissioner may refrain from assessing or recovering an unpaid tax and the liability and tax shall be deemed to be extinguished or abandoned or remitted, as the case may be.	▶ **The bill proposes to provide relief to taxpayers on unpaid taxes in instances where it is impossible to recover the amounts due to hardships. A similar provision had previously been repealed by the Finance Act 2023.** ▶ **This is a welcome move as it helps offload the tax burden on the taxpayers who are not in a position to pay taxes as a result of the circumstances provided for in the section.** ▶ **On the flip side, we note that there is a requirement for approval from the cabinet secretary and thus this layer will make the process difficult and might even involve a court process.**
Extension of amnesty provisions on penalties and interest	The current legislation provides for Tax Amnesty on penalty and interest.	The Bill proposes to delete subsection 37(E) and replace it by extending the amnesty provisions provided that all that the tax demanded was for the period upto 31st December 2022. The Amnesty is in respect of all penalties and interest and all principal taxes ought to be paid by 30th June 2025	▶ **The amendment proposes to extend the amnesty period to 30th June 2025 provided that the tax demand was for the period that ended in 31st Decmeber 2022.** ▶ **For one to be able to enjoy the amnesty they will be required to have paid the principal taxes by June 2025.** ▶ **We had hoped that the government would also include the period ending 31st December 2023 however this is not the case.**

Tax Procedures Act

Issue	Proposal as per finance bill 2024	Proposed provision as per Tax Procedures (amendment)bill	Comments
Appointment of VAT withholding agent	Section 42A subsection (1) states that "The Commissioner may appoint a person to withhold two percent of the taxable value on purchasing taxable supplies at the time of paying for the supplies and remit the same directly to the Commissioner:" Provided that the withholding tax shall not apply to the taxable value of zero-rated supplies and registered manufacturers whose value of investment in the preceding three years from the 1st July 2022 is at least three billion.	The bill proposes to delete the proviso to this section.	▶ **The proposed amendment to delete the proviso to the section is a move to provide clarity. As it stands, the taxable value of zero-rated supplies would result in a tax of zero percent and thus it would not make sense to withhold VAT and hence this exemption was not necessary.** ▶ **Further, the manufacturers whose value of investment was at least three billion up to 1st July 2022 will be affected by this change as this will mean that their supplies will be subject to withholding VAT deduction,they were previously exempted.**
	Section 42A subsection (4C) states that "A person who is required under this section to withhold tax commits an offence if the person— (a) fails to withhold the whole amount of the tax which should have been withheld; or (b) fails to remit the amount of the withheld tax to the Commissioner by the twentieth day of the month following that in which the deduction was made." Section 42 (4D) states that "A person who commits an offence under subsection 4C is liable on conviction to a penalty of ten percent of the amount involved.	The bill proposes to delete the subsection and substitute it with the following subsection "(4C) A person who is required under this section to withhold tax, and without reasonable cause— (a) fails to withhold the whole amount of the tax that should have been withheld; or (b) fails to remit the amount of the withheld tax to the Commissioner by the fifth working day after the deduction was made, shall be liable to a penalty of 10% of the amount not withheld or remitted. The bill proposes to delete Section 4D	▶ **The bill proposes to provide clarity on the penalties and fines for failure to withhold or remit tax for withholding tax agents.** ▶ **Initially the section read that the ten percent penalty would be due on conviction and this would have been interpreted as having a requirement for a conviction for the taxes to be due, however the amendment seeks to clarify that the penalty is due when the withholding tax is not withheld or remitted by the fifth working day.** ▶ **Clean up exercise.**

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Tax Procedures Act

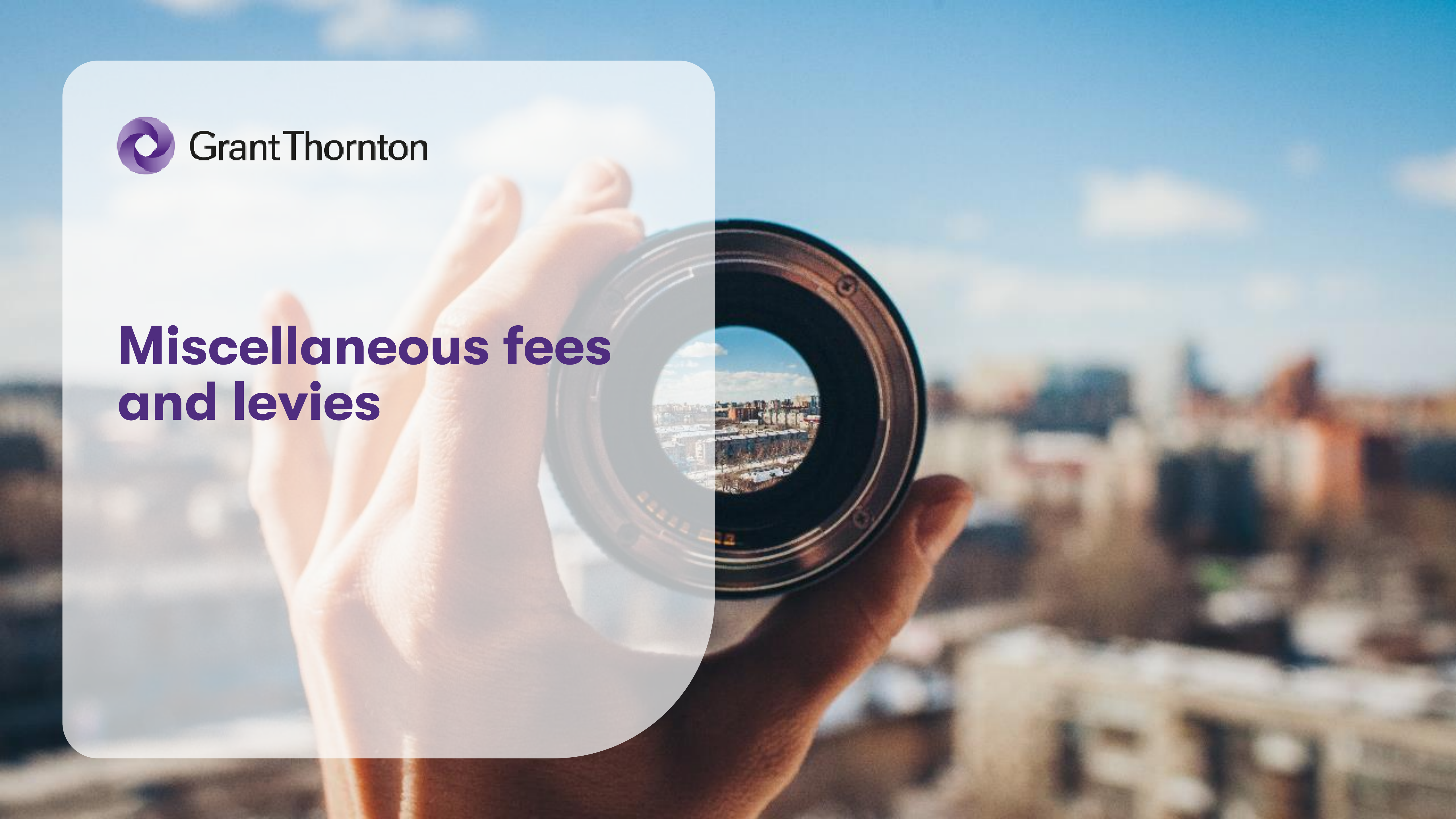
Issue	Proposal as per finance bill 2024	Proposed provision as per Tax Procedures (amendment)bill	Our comments
Offset or refund of overpaid tax	Section 47 subsection (1) states that "Where a taxpayer has overpaid a tax under any tax law, the taxpayer may apply to the Commissioner, in the prescribed form— (a) to offset the overpaid tax against the taxpayer's future tax liabilities; or (b) for a refund of the overpaid tax within five years, or six months in the case of value added tax, after the date on which the tax was overpaid."	The bill proposes to delete the subsection and substitute it with the below "(1) Where a taxpayer has overpaid a tax under any tax law, the taxpayer may apply to the Commissioner in the prescribed manner for a refund of the overpaid tax. prescribed form to offset the overpaid tax against the taxpayer's outstanding tax debts and future tax liabilities; or for a refund of the overpaid tax— (a) in the case of income tax, within five years from the date on which the tax was overpaid; or (b) in the case of any other tax, within six months from the date on which the tax was overpaid."	▶ **The bill proposes to provide further clarity on the utilization of overpaid taxes and the time range for application of the overpaid taxes and the types of taxes.** ▶ **The bill states that application for refund or offset for other taxes other than income tax will have to be made within six months. This is a change from the current provision which specifies Value Added Tax as the only tax for which application of refund is to be made within six months.** ▶ **Taxpayers will need to be agile and to always monitor the overpaid taxes to ensure that the time does not lapse before utilizing the amounts or applying for a refund.**
Due date for submission of return and payment of taxes	Section 77 of the TPA act states that: If the date for— (a) submitting or lodging a tax return, application, notice, or the payment of a tax; falls on a Saturday, Sunday, or public holiday in Kenya, the due date shall be the previous working day unless where a person submits a notice of objection in electronic form or a tax return in electronic form, or pays the tax electronically, the due date shall remain the date specified in the relevant tax law.	The TPA is amended by repealing section 77 and replacing it with the following new section — 77. In computing the period for— (a) submitting or lodging a tax return, application, notice, or other document; (b) the payment of a tax; or (c) taking any other action under a tax law, the period shall not include Saturdays, Sundays or public holidays.	▶ **The bill proposes that Saturdays, Sundays and Public Holidays should not be taken into consideration while computing the due date for submitting or lodging a tax return, application, notice or any other document and also for payment of tax.** ▶ **With the introduction of the need to submit WHT and WHVAT returns and payments within five days, this change seems to be aligned in that line of thought to provide clarity on whether the 5 days are strictly business days.** ▶ **However, KRA must align the iTax system to calculate time based on business days.** ▶ **Further this would ideally lengthen the objection period for taxpayers when put in practice.**

Tax Procedures Act

Issue	Proposal as per finance bill 2024	Proposed provision as per Tax Procedures (amendment)bill	Our comments
Data management & Reporting system	No proposal as per finance bill 2024	The bill proposes to introduce a new provision after subsection 59A (1A) The new provision provides for the integration of electronic tax systems, the Commissioner may by notice in writing, require a person to integrate its data management and reporting systems with KRA's electronic tax systems. The requirement would only be applicable to businesses whose turnover exceeds 5 Million shillings	▶ **The amendment is in line with the future goal for KRA to integrate its systems with systems of various taxpayers in specific industries in a bid to access information in real time. This will be the first of many expected such changes.** ▶ **KRA would need to ensure the systems on their end are properly configured so as not to disrupt taxpayers operations on their end in instances where the integration is successful.**
	No proposal as per finance bill 2024	The bill proposes to add a new subsection immediately after subsection 59A (4) which proposes to criminalize any failure to adhere to the notice of the Commissioner to integrate such systems and penalize the offense to a penalty of not exceeding two million shillings for every month or part thereof that the failure continues.	▶ **The bill proposes to include hefty penalties for failure to adhere with the notice under subsection 1A and subsection 2. The proposed penalty will be up to two million shillings for every month or part thereof that the failure continues.**

Tax Procedures Act

Issue	Proposal as per finance bill 2024	Proposed provision as per Tax Procedures (amendment)bill	Our comments
Late submission penalty	No proposal as per finance bill 2024	The bill proposes to insert the following new subsection immediately after subsection 83(1)— (1A) An export processing zone enterprise that fails to submit a return as required under paragraph 4 of the Eleventh Schedule to the Income Tax Act shall be liable to a penalty of twenty thousand shillings per month for each month or part thereof that the failure continues.	▶ **The eleventh schedule of the Income Tax Act provides guidelines on the taxation of export processing zone enterprises, and provides for a penalty of Ksh 2,000 for as long as the failure continues. The bill proposes to delete this section under the Income Tax Act.** ▶ **This amendment to the TPA is in line with the deletion of the penalty imposed under the eleventh schedule of the Income Tax Act and thus the TPA will be the procedural act governing the penalty for failure to file returns revising the penalty to Ksh 20,000 per month for each month that the failure continues.**
Transactions for which a PIN is required	The First Schedule of the TPA highlights 15 paragraphs that state the transactions that require Personal Identification Numbers	The First Schedule to the Tax Procedures Act is amended by adding the following new paragraph immediately after paragraph 15— (16) Registration of an employee working remotely outside Kenya for an employer in Kenya.	▶ **This is a welcome move for employers in Kenya as it will now be easier for them to engage employees residing outside Kenya on a more permanent basis other than as consultants since they will now be able to acquire KRA PINs and at the end KRA collects more tax via PAYE.**



Miscellaneous fees and levies

Miscellaneous Fees and Levies

Issue	Finance Bill	The Tax Laws (Amendment) Bill, 2024	Our comments
Railway development levy	Rate maintained at 1.5%	Increase in rate from 1.5% to 2.5%	▶ **The provisions indicate an increase on the railway development levy imposed on the customs value. This implies that suppliers may be forced to increase the prices of commodities in the market as a recovery mechanism on the affected goods. In addition, this will reduce the number of imports in the country and encourage more local purchases.** ▶ **Consequently, this proposal benefits KRA as the authority will have additional revenue to collect.**
Eco levy	The Bill proposes a new levy to be known as the eco levy on the goods specified in the Fourth Schedule manufactured in Kenya or imported into Kenya. a) In the case of locally manufactured goods, by the manufacturer at the time the goods are removed from the excise stock room; and b) In the case of imported goods, by the importer at the time of entering the goods into the country. The purpose of the levy shall be to ensure that the manufacturers and importers of the goods specified in the Fourth Schedule pay for the negative environmental impacts of the goods.	Repealed	▶ **The repeal of eco levy is a welcome move as this would have increased the costs of imported products provided for in this schedule and consequently would have increased the prices of these commodities.** ▶ **Further to this the increase in the prices of these commodities would have made the accessibility of vital products such as diapers and sanitary towels difficult.**

Miscellaneous Fees and Levies

Issue	Finance Bill	The Tax Laws (Amendment) Bill, 2024	Our comments
Import declaration fee	Increase in rate from 2.5% to 3%	Repealed	▶ **The provisions indicate that the import declaration fee will be maintained at 2.5% of the custom value of the goods. This indicates that the costs of imported products will be maintained and hence the prices charged to consumers on these products will also remain unchanged.**
Import declaration fee funds	Ten percent of monies in the Fund shall be used for the payment of Kenya's contributions to the African Union and any other international organisation to which Kenya has a financial obligation, while twenty percent will be used for revenue enforcement initiatives or programmes.	Repealed	▶ **Repealing of this provision will not aid in promoting accountability of funds allocated to the government based programmes for the benefit of the public.** ▶ **In addition, this move does not foster cohesion among member states of the African Union and enhance strong trade treaties.**
Exemption from IDF and RDL on supplies to NIS.	The Bill proposes to exempt supplies made to the National Intelligence Service.	Repealed	▶ **The exemption as previously proposed was aimed at lowering the costs of acquisitions by the NIS thereby increasing their ability to undertake their operations. The new proposal retains the applicable IDF and RDL levies on commodities supplied to the NIS and would see the costs of the supplies made to NIS maintained.**
Exemption from IDF and RDL and manufacturers of mosquito repellents.	The Bill also proposes to exempt inputs, raw materials and machinery used in the manufacture of mosquito repellent on recommendation by the Cabinet Secretary responsible for matters relating to health from IDF and RDL.	Repealed	▶ **The new proposal does not align with the government's long term goal of malaria eradication.** ▶ **Exemption of inputs and raw materials relating to mosquito repellant was a welcome move because this would have made these items more affordable, thereby having a positive impact on the fight against malaria.**

Export and Investment Promotion Levy

The Exports and Investments Promotion Levy seeks to provide funds for targeting the increase of investments in the country, boost manufacturing thereby creating more jobs and increasing exports. The Levy was introduced in 2023 targeting importers of select goods sourced from outside the East African Community (EAC).

The third schedule of the Miscellaneous Fees and Levies Act provides for goods to be subject to the Export and Investment Promotion Levy. The Business Laws (Amendment) Bill, 2024 proposes to repeal some provisions and include new provisions under the third schedule. The tariffs for the repealed provisions, amended provisions and new provisions are outlined as below

Previously proposed exemptions from The Exports and Investments Promotion Levy

Tariff No.	Tariff Description	Finance Bill Levy Rate	The Business Laws (Amendment) Bill, 2024 Levy Rate
7213.91.10	Bars and rods of iron or non-alloy steel, hot- rolled, in irregularly wound coils of circular cross-section measuring less than 14mm in diameter of cross section measuring less than 8 mm	17.50%	Repealed
7213.91.90	Bars and rods of iron or non-alloy steel, hot- rolled, in irregularly wound coils of circular cross-section measuring less than 14mm in diameter; other	17.50%	Repealed
4804.21.00	Sack Kraft paper; Unbleached	10%	Repealed
4804.31.00	Other Kraft paper and paperboard weighing 150 g/m2 or less: Unbleached	10%	Repealed
4819.30.00	Sacks and bags, having a base of a width of 40 cm or more.	10%	Repealed
4819.40.00	Kraft liner	10%	Repealed
4804.29.00	Other sacks and bags, including cones.	10%	Repealed

Export and Investment Promotion Levy

Tariff No.	Tariff description	Finance Bill Levy Rate	The Business Laws (Amendment) Bill, 2024 Levy Rate
2207.20.00	Denatured ethyl alcohol and other spirits	3%	3%
2208.40.00	Rum and other spirits obtained by distilling fermented sugar	3%	3%
2208.60.00	Vodka	3%	3%
2523.10.00	Cement Clinkers	10%	10%
3401.30.00	Organic surface-active products and preparations for washing the skin	3%	3%
4804.11.00	Kraft liner	3%	Repealed
4804.29.00	Uncoated Kraft paper and paperboard, in rolls or sheets, other than that of heading 48.02 or 48.03- Other	3%	Repealed
0401.20.00	Milk and cream of a fat content by weight, exceeding 1% but not exceeding 6%	3%	3%
6910	Ceramic sinks, wash basins, pedestals, baths, bidet, water closet pans, flushing cistern, urinals and similar sanitary fixtures	3%	3%
6910.10.00	Of porcelain of China	NIL	3%
6910.90.00	Other	NIL	3%
7207.11.00	Billets	10%	10%
7321.12.00	Cooking stoves for liquid fuel	3%	3%
8711.10.90	Fully built motorcycles with internal combustion engine not exceeding 50cc	3%	3%
8711.20.10	Fully built motorcycles with internal combustion engine exceeding 50cc but not exceeding 250cc	3%	3%
8711.20.90	Fully built motorcycles with internal combustion engine exceeding 50cc but not exceeding 250cc	3%	3%
8711.30.90	Fully built motorcycles with internal combustion engine exceeding 250cc but not exceeding 500cc	3%	3%
8711.40.90	Fully built motorcycles with internal combustion engine exceeding 500cc but not exceeding 800cc	3%	3%

Export and Investment Promotion Levy

Tariff No.	Tariff description	Finance Bill Levy Rate	The Business Laws (Amendment) Bill, 2024 Levy Rate
8711.50.90	Fully built motorcycles with internal combustion engine exceeding 800cc	3%	3%
8711.60.00	Fully built electric motorcycles	3%	3%
9403.10.00	Metal furniture of a kind used in offices	3%	3%
9403.20.00	Other furniture metal	3%	3%
9403.30.00	Wooden furniture for office	3%	3%
9403.40.00	Wooden furniture for kitchen	3%	3%
9403.50.00	Wooden furniture for bedrooms	3%	3%
9403.60.00	Other wooden furniture	3%	3%
9403.70.00	Furniture of plastics	3%	3%
9403.82.00	Furniture of bamboo	3%	3%
9403.83.00	Furniture of rattan	3%	3%
9403.89.00	Furniture of cane, osier or similar material	3%	3%
9403.91.00	Parts of furniture, of wood	3%	3%
9403.99.00	Parts of furniture, not of wood	3%	3%
9404.10.00	Mattress supports	3%	3%
8711.50.90	Fully built motorcycles with internal combustion engine exceeding 800cc	3%	3%
8711.60.00	Fully built electric motorcycles	3%	3%
9403.10.00	Metal furniture of a kind used in offices	3%	3%

Export and Investment Promotion Levy

New items subject to export and Investment promotion levy

Tariff No.	Tariff description	Tariff No.	Tariff description
2523.29.00	Portland cement	7217.90.00	HT Cables wire
2523.30.00	Aluminous cement	7217.90.00	Bailing ties
2523.90.00	Other hydraulic cements	7312.10.00	Stranded wire
7213.10.00	TMT/Construction steel	7312.10.00	Stay wire
721391.10	Wire rods	7312.90.00	Rope wire
7216.10.00	Channels	7312.90.00	Electric cable wire
7216.21.00	Angles	7313.00.00	Barbed wire
7216.61.00	Flats	7314.20.00	BRC/Weld mesh
7217.10.00	Binding wire	7314.41.00	Chain link
7217.20.00	Galvanised wire	7314.42.00	PVC Coated Chain link
7217.30.90	Cold drawn wire	7314.49.00	Gabions
7217.30.90	Agricultural benches	7317.00.00	Nails

The Bill proposes to impose the Export and Investments Promotion Levy on these items at a rate of 10% of the customs value.

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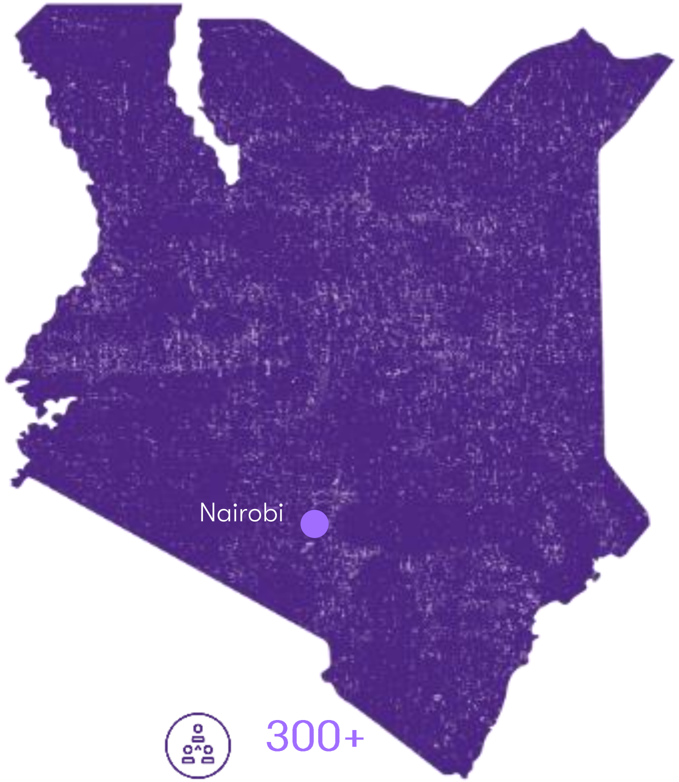

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