

East African Community implements trade and duty changes

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Executive summary

On 30 June 2020, the East African Community (EAC) Secretariat released *EAC Gazette Notice No. 10 of 2020* (the Gazette).¹ The Gazette highlights changes to the *EAC Customs Management Act, 2004* (EACCMA) and the EAC Common External Tariff (EAC CET) with effect from 1 July 2020. The Council of Ministers (The Council) has, through the Gazette, implemented a number of trade changes which affect both individual EAC Partner States and the EAC region as a whole.

This Alert highlights certain international trade-related changes introduced by the Gazette across Kenya, Uganda, Tanzania and Rwanda affecting importers.

Detailed discussion

EAC policy changes

CET amendments

There were no amendments to the existing CET import duty rates. Changes to the CET rate are scheduled to be implemented following a comprehensive review of the EAC CET regime adopted by the Council.

Amendments to the exemptions regime

Effective 1 July 2020, the Gazette introduced amendments to general exemptions from import duty under the Fifth Schedule of the EACCMA covering the following:

- ▶ Amendment of the exemption of horticulture, aquaculture, agriculture and floriculture inputs:
 - The new amendment has included agricultural implements and fertilized eggs for incubation as part of imported goods qualifying for exemption from import duty.
 - This exemption now requires the involvement of the Ministry of Agriculture to get a recommendation and approval of the exemption. In Kenya, the involvement of the Ministry of Agriculture is now aligned with “Guidelines/framework for requesting, processing and granting of tax exemption/waiver/variation/remission on a national tax, a fee or a charge,” issued on 18 October 2019.
- ▶ Amendment of the exemption of relief goods imported for emergency use in specific areas where natural disaster/calamity has occurred to include any supplies for diagnosis, prevention, treatment, and management of epidemics, pandemics and health hazards as recommended by the competent authority in the Ministry responsible for Health.
- ▶ Amendment of the exemption of specialized solar and wind energy equipment. The EAC has over time revised several times the duty exemption policy relating to renewable energy, moreso, specialized solar and wind equipment. The initial L.N. No. 12 dated 30 June 2006 applied the exemption on solar power which was amended in 2010 to include wind energy. This was further amended through L.N. No. 23 dated 20 June 2014 and L.N. No. 39 dated 30 June 2016 to provide further clarification on which items are exempted under this provision.

The current amendment has provided additional clarification as follows:

- ▶ Removal of the requirement of imported goods under the exemption to be used in the development of solar or wind energy.
- ▶ Clarification that the following items also qualify for exemption; Photovoltaic (PV) Modules, Direct Current Charge Controllers, Direct Current Inverters and Solar.

Duty remission

The EAC duty remission scheme allows waiver of duty or refrainment from exacting of duty on Gazetted inputs imported by Gazetted users (inputs and 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.

Updated remission list

The following items have been granted duty remission and are available to applicants from the respective EAC countries provided that the importers are approved and Gazetted before importation:

Tariff and description	Countries eligible for duty remission on imported items	Import duty	
		Current rate	Rate under remission
Wheat (wheat grain) under 1001.99.10 or 1001.99.90	Kenya and Tanzania	35%	10%
	Burundi		0%
Palm stearin (RBD) of 1511.90.40	Tanzania	10%	0%
Inputs for use in the manufacture of Energy Saving Stoves	Kenya and Uganda		0%
Sear parts (recliner mechanism) of 9401.90.00 for the manufacture of automotive seats	Kenya	25%	0%
Equipment for polishing and heating gemstones	Tanzania and Uganda		0%

Tariff and description	Countries eligible for duty remission on imported items	Import duty	
		Current rate	Rate under remission
Other organic surface agents (3402.19.00)	Uganda and Burundi	25%	0%
Industrial sugar of 1701.99.10	Burundi	100% or \$460/MT whichever is higher	0%
8414.51.00 Unassembled floor, table and wall fans	Uganda	25%	10%
8516.60.00 Unassembled cookers	Uganda	10%	10%
3302.10.00 Odiferous mixtures of a kind used as raw materials in the food or drink industries	Uganda	10%	0%

In the event that finished products (manufactured using inputs imported under country specific remission are sold in the Customs territory (EAC), such goods shall attract duties, levies and other charges provided in the EAC CET. If a remission regime is applied across all the EAC countries (i.e., favoring all EAC manufacturers), the restriction above would not apply.

EAC duty remission

The Council has stayed the application of conditions contained in Legal Notice LN EAC/39/2013, pertaining to duty remission on the motorcycle assembly industry, for one more year. The Legal Notice provides for duty remission for assemblers of Completely Knocked Down (CKD) kits who procure/manufacture the following specified parts within the EAC; main frame, suspension, or a combination of seat and seat frame, mudguard, wheel rim, break gear and exhaust pipe.

Tariff and description	Countries eligible for duty remission on imported items	Import duty	
		Current rate	Rate under remission
Motorcycle kits imported by gazetted assemblers	EAC countries	25%	10%

Country specific stays of application of the CET

Kenya

The Council has approved various stays of application of CET duty rates on select items in Kenya, effective for the one-year period from 1 July 2020. These measures, implemented to address specific economic needs, have a two-fold effect; either an increase or a decrease in duty rates as follows:

Duty increment

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
1507.90.00	Refined soya bean oil	25%	25% or US \$500/MT
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		

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
4410.11.00	Particle board	25%	25% or US\$110/MT
4410.12.00	Oriented strand board (OSB)		
4410.19.00	Other		
4410.90.00	Other		
4805.19.00	Other uncoated paper and paper board in rolls or sheets, not further worked or processed	10%	25%
4805.91.00	Weighing 150g/m ²		
4819.20.10	Skillets, free hinge lid packets	10%	25%
6405.10.00	Shoes with leather uppers	25%	25% or US\$5/Pair
6403.12.00	Ski boots, cross country ski footwear and snowboard boots	25%	25% or US\$2.5/Pair
4202.11.00	Travel goods (i.e., trunks, suitcases, sports bags and similar items of leather	25%	35%
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. Footwear incorporating a protective metal toecap. Articles like Safety Gumboots.	25%	25% or US\$2.5/Pair
6402.19.00	Other footwear with outer soles and uppers of rubber or Plastics. Full Plastic footwear.	25%	25% or US\$2.5/Pair
6403.20.00	Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	25%	25% or US\$5/Pair
7211.90.00	Other	10%	10% or US\$125/MT
7212.20.00	Electrolytically plated or coated with zinc (Metal Coating)		
7212.60.00	Clad	10%	10% or US\$125/MT
7216.31.10	U sections	0%	25% or US\$250/MT
7216.32.10	I sections		
7216.33.10	H sections		
7216.40.10	L or T sections		
7217.10.00	Not plated or coated, whether or not polished	10%	25% or US\$250/MT
7222.11.00	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel		
7222.19.00			
7222.20.00			
7222.30.00			
7222.40.00			

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
7225.50.00	Other, not further worked than cold-rolled (cold-reduced)	10%	10% or US\$125/MT
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)	10%	10% or US\$125/MT
7306.30.00	Other, welded, of circular cross-section, of iron or non-alloy steel	25%	25% or US\$200/MT
7306.50.00	Other, welded, of circular cross-section, of other alloy steel		
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		
7308.90.91	Road guard rails	10%	25% or US\$250/MT
7311.00.00	Containers for compressed or liquefied gas, of iron or steel - Liquid Gas cylinders (LPG)	0%	25%
7317.00.00	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 83.05) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper	25%	35% or US\$350/MT
7318.15.00	Other screws and bolts, whether or not with their nuts or washers	25%	35% or US\$250/MT
7318.16.00	Nuts	10%	35% or US\$250/MT
7318.19.00	Other	10%	35% or US\$350/MT
7318.23.00	Rivets		
7318.29.00	Other		
7320.10.00	Leaf-springs and leaves therefore	25%	25% or US\$250/MT
7321.19.00	Stove, range, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas rings, plate 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	10%	25%
7321.89.00			
7326.90.90	Other articles of iron or steel	25%	25% or US\$250/MT
8304.00.00	Filing cabinets	25%	25% or US\$250/MT
8311.10.00	Coated electrodes of base metal, for electric arc-welding		
9403.30.00	Wooden furniture of a kind used in offices	25%	35% for one year
9403.40.00	Wooden furniture of a kind used in the kitchen		
9403.50.00	Wooden furniture of a kind used in the bedroom		
9403.60.00	Other wooden furniture		
9406.90.90	Prefabricated buildings-Others	25%	35% or US\$ 250/MT

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
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	25%	30% or US\$1.75/SQM
8802.11.00 8802.12.00 8802.20.00	Helicopters of unladen weight of below 2000kgs Helicopters of unladen weight of above 2000kgs Airplanes and other aircraft, of an unladen weight not exceeding 2,000 kg	0%	25%
Heading 8544 excluding cables of tariff 8544.70	Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fiber cables, made up of individually sheathed fibers, whether or not assembled.	25%	35%
8536.50.00	Other switches for a volt not exceeding 1,000 volts	10%	35%

The stays of application that aim at increasing duty rates of imported items are geared towards protection of local industries from competing similar imports.

Duty reduction

This is mainly aimed at ensuring accessibility and affordability of these imports that are a necessity in the country.

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
1006.10.00 1006.20.00 1006.30.00 1006.40.00	Rice in the husk Husked (brown) rice Semi milled or wholly milled rice Broken rice	75% or US\$345/MT	35% or US\$200/MT
7225.30.00	Other, not further worked than hot-rolled, in coils	10%	0%
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	50%	35%

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6309.00.10	Worn items of clothing	35% or US\$0.40/kg whichever is higher	35% or US\$ 0.20/Kg
3905.91.00	Polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms - Others: Copolymer.	10%	0%

Uganda

The Council has approved various stays of application of CET duty rates on select items in Uganda, effective for a one-year period from 1 July 2020. These measures, effected to address specific economic needs, have a two-fold effect; either an increase or a decrease in duty rates as follows:

Duty increment

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6115.21.00 6115.22.00 6403.99.00	Gum boot linings	25%	35%
33.04 33.05	Beauty or make up preparations	25%	35%
8504.31.00 8504.32.00	Transformers (Both dry and liquid)	10%	25%
3920.20.90	Other of polymers of styrene (Printed plastic labels)	25%	35%
8517.12.00	Mobile phones	0%	10%
3919.90.90	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes of plastics, whether or not in rolls	25%	35%
3605.00.00	Safety matches	25%	25% or US\$1.35/Kg
7311.00.00	Containers for compressed or liquefied gas, of iron or steel - Liquid Gas cylinders (LPG)	0%	25%
7317.00.00	Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 83.05) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of copper.	25%	35% or US\$350/MT

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
0701.90.00 0710.10.00 2004.10.00 2005.20.00	Cooked potatoes, fresh or chilled, other than seed	25%	60%
0409.00.00 1702.90.00	Honey - natural and artificial	25%	60%
2002.90.00	Tomato paste and other preserved tomatoes	25%	35%
8528.72.90	Television sets	25%	35%
9503.00.00	Toys	25%	35%
3306.10.00 3306.90.00	Toothpaste and other mouth wash preparations	25%	35%
0901.21.00 0901.22.00 0901.90.00 2101.11.00 2102.12.00	Processed coffee	25%	60%
09.02 2101.20.00	Processed tea	25%	60%
0910.11.00 0910.12.00	Ginger	25%	60%
20.07	Jams, marmalades, jelly	25%	60%
3405.10.00	Shoe polish	25%	35%
2008.11.00	Peanut butter	25%	60%
1806.90.00	Bread spreads	25%	60%
0703.10.00 0703.20.00 0703.90.00	Onions, shallots, garlic, leeks... etc., fresh or chilled	25%	60%
1512.29.00	Refined cotton-seed oil	25%	60%
1512.19.00	Refined sunflower seed or sunflower oil	25%	60%
18.05	Cocoa powder in packing with a net content exceeding	0%	60%
18.06	Chocolate and other food preparations containing cocoa	25%	60%

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
3808.91.31 3808.91.32 3808.91.39	Other insecticides put up for retail sale	25%	35%
67.04	Wigs, false beards, eyebrows and eyelashes, etc.; human hair, nes	25%	35%
04.05	Butter and other fats and oils de-rived from milk; dairy spreads	25%	60%
1901.20.90	Mixes and doughs for the preparation of bakers' wares of heading	25%	35%
6306.12.00 6306.19.00	Tarpaulins	25%	35%
6912.00.00	Ceramic toilet seats and cisterns	25%	35%
8212.20.00	Maternity (Mama) kit	25%	0%
3401.20.10	Other soap in other forms - Soap Noodles	25%	10%
4011.40.00	New pneumatic tires of rubber, of a kind used on motorcycles	10%	35%
7217.20.00	Wire of iron or non-alloy steel	10%	35% or US\$350/MT
7210.11.00 7210.20.00 7216.50.00	Flat rolled products of iron or non-alloy steel products of iron or non-alloy steel	25%	25% or US\$200/MT
7212.60.00	Flat rolled products of iron or non-alloy steel	10%	25% or US\$250/MT
5408.33.00	Jacquard material for making spring mattresses (printed with Logo	25%	10%
5513.49.00	Poly cotton material for making mattresses		10%
1003.90.00	Barley		10%
3905.30.00	Poly vinyl alcohol		0%
1601.00.00	Sausages and similar products	25%	60%
1704.10.00 1704.90.00	Chewing gum Other sugar confectionery (sweets)	25%	35%
17.04	Chocolates	25%	35%
19.05	Biscuits	25%	60%
2103.20.00	Tomato sauce	25%	60%
2201.10.00	Mineral water	25%	60%
2710.19.10	Partly refined base oil	0%	10%
2710.19.51	Lubricants in liquid form	25%	60%
2710.19.52	Lubricating greases	25%	60%

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
3401.11.00 3401.19.00 3401.20.90 3401.30.00	Soap and organic surface-active products for use as soap	25%	35%
48.19	Cartons, boxes, cases, bags and other packing containers of paper	25%	35%
4818.10.00 4820.20.00	Toilet paper Exercise books	25%	60%
4911.10.00 4911.91.00 4911.99.10	Trade advertising material Pictures, designs and photographs Instructional charts and diagrams	25%	35%
63.01	Blankets	25%	35%
7308.30.00 7610.10.00 3925.20.00	Doors, windows and their frames and thresholds for doors of iron and steel and Plastic/polymers	25%	35%
94.03 94.01 9402.90.90	Furniture and parts thereof	25%	35%
94.04	Mattress supports and mattresses	25%	35%
9603.21.00	Toothbrushes	25%	60%
9608.10.00	Ball point pens	25%	60%
85.07	Electric accumulators	25%	35%
7323.10.00	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like	25%	35%
8311.10.00	Coated electrodes of base metal, for electric arc-welding	25%	35%
8704.22.90 8704.23.90	Motor vehicles for transport of goods with gross vehicle weight exceeding 5 tons but not exceeding 20 tons Motor vehicles for transport of goods with gross vehicle weight exceeding 20 tons	25% 25%	10% 0%
8470.50.00	EFD, cash registers, point of sale (POS), cashless machines	10%	0%
8701.20.90	Road tractors for semitrailers	10%	0%
8421.12.00	Clothes-dryers imported by licensed hotels	10%	0%
8451.30.00	Clothes-dryers imported by licensed hotels	0%	0%
7007.19.00 7007.29.00	Other toughened (tempered) and laminated safety glass	25%	10%

Duty reduction

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6309.00.10 6309.00.20 6309.00.90	Worn clothing and other worn articles	35% or US\$0.4/Kg	35%
1001.99.10 1001.99.90	Wheat grain	35%	10%
6309.00.10 6309.00.20 6309.00.90	Worn items of clothing Worn items of footwear Other worn articles	35% or US\$0.40/Kg	35%

Tanzania

The Council has approved various stays of application of CET duty rates on select items in Tanzania, effective for one-year period from 1 July 2020. These measures, effected to address specific economic needs, have a two-fold effect; either an increase or a decrease in duty rates as follows:

Duty increment

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6305.10.00	Sacks and bags, of Jute or other textile-based fibers of heading 53.03		35%
3605.00.00	Safety matches		25% or US\$1.35/Kg
6907.21.00 6907.22.00 6907.23.00	Tiles	25%	35%
09.02	Processed tea	25%	35%
1805.00.00	Cocoa powder, not containing added sugar or other sweetening matter	0%	10%
18.06	Chocolate and other food preparations containing cocoa	25%	35%
1601.00.00	Sausages and similar products	25%	35%
1704.10.00 1704.90.00	Chewing gum Other sugar confectionery (sweets)	25%	35%
19.05	Biscuits	25%	35%
2103.20.00	Tomato sauce	25%	35%

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
2201.10.00	Mineral water	25%	60%
4804.29.00	Sack kraft paper (Other)	10%	25%
7225.50.00 7226.92.00	Flat-rolled products of other alloy steel, of a width of 600 mm or more	10%	10% or US\$125/MT
7212.30.00 7212.40.00 7212.50.00	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coat-ed for one more year	25%	25% or US\$250/MT
7212.60.00	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm (clad)	10%	10% or US\$250/MT
2520.20.00	Gypsum powder	0%	10%
3916.10.00 3916.20.00 3916.90.00	Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes whether or not surface - worked but not otherwise worked of plastics	0%	10%
1701.14.90	Other cane sugar	100% or US\$460/MT	35% on 40,000
Various tariffs	Meat and edible offals under Chapter 2	25%	35%

Duty reduction

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6309.00.10 6309.00.20 6309.00.90	Worn items of clothing Worn items of footwear Other worn articles	35% or US\$0.40/Kg	35%
8470.50.00	EFD, cash registers, point of sale (POS), cashless machines	10%	0%
8470.90.00	EFD, cash registers, point of sale (POS), cashless machines	10%	0%

Rwanda

The Council has approved various stays of application of CET duty rates on select items in Rwanda, effective for the one-year period from 1 July 2020. These measures, effected to address specific economic needs, have a two-fold effect; either an increase or a decrease in duty rates as follows:

Duty increment

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
1006.30.00	Semi milled or wholly milled rice	75% or US\$345/MT	45% or US\$345/MT
6309.00.10	Worn items of clothing	35% or US\$0.40/Kg	US\$2.5/Kg
6309.00.90	Other worn articles		
6309.00.20	Worn items of footwear	35% or US\$0.40/Kg	US\$5/Kg
7311.00.00	Containers for compressed or liquefied gas, of iron or steel - liquid gas cylinders (LPG)	0%	25%
1701.12.90	Other beet sugar	100% or US\$460/MT	25% for one year for imported sugar up to 70,000 MT quota limit
1701.14.90	Other cane sugar		
1701.91.00	Containing added flavoring or coloring matter		
1701.99.90	Other sugar		
3505.20.00	Glues based on starch	25%	0%
3506.99.00	Other glues		
41.07 4112.00.00 41.13	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine Leather further prepared after tanning... Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	10%	0%
8470.50.00	EFD, cash registers, point of sale (POS), cashless machines	10%	0%
8470.90.00	EFD, cash registers, point of sale (POS), cashless machines	10%	0%
Various tariffs	Telecommunication equipment	Various	0%
Various tariffs	Goods imported for the use by Armed Forces Shop (AFOS) Rwanda	Various	0%
8421.12.00	Clothes dryers imported by licensed hotels	10%	0%
8451.30.00	Clothes dryers imported by licensed hotels	0%	0%
8704.22.90	Motor vehicles for transport of goods with gross vehicle weight exceeding 5 tons but not exceeding 20 tons	25%	10%
8704.23.90	Motor vehicles for transport of goods with gross vehicle weight exceeding 20 tons	25%	0%
8716.31.90	Other tanker trailers and tanker semi-trailers	10%	0%
8716.39.90	Other trailers and semi-trailers for the transport of goods	10%	0%

Duty reduction

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
8701.20.90	Road tractors for semitrailers	10%	0%
1001.99.10 1001.99.90	Wheat grain	35%	0%
8702.10.99	Buses for transportation of more than 25 persons not exceeding 50 persons	25%	10%
5608.11.00	Made up fishing nets	25%	10%
8523.52.00	Smart cards	25%	0%
8542.39.00	Other (sim cards)	25%	0%
7612.90.90	Milk cans	25%	10%
	Goods imported for use by the Armed Forces Shop (AFOS) for Rwanda	Various	0%

Burundi

The Council has approved various stays of application of CET duty rates on select items in Burundi, effective for the one-year period from 1 July 2018. All measures granted to Burundi were decreases in applicable duty rates as follows:

Duty reduction

Tariff	Description	Import duty	
		Previous rate	Effective rate from 1 July 2020 - 1 July 2021
6309.00.10 6309.00.90 6309.00.20	Worn clothing and other worn articles	35% or US\$0.4/Kg	35%
8704.22.90	Motor vehicles for transport of goods with gross vehicle weight exceeding 5 tons but not exceeding 20 tons	25%	10%
8704.23.90	Motor vehicles for transport of goods with gross vehicle weight exceeding 5 tons but not exceeding 20 tons	25%	0%
8701.20.90	Road tractors for semitrailers	10%	0%
8702.10.99	Buses for transportation of more than 25 persons and not exceeding 50 persons for one year	25%	10%
	Buses for transportation of more than 50 persons for one year	25%	0%

Impact

Each of the EAC Member States, just like any other economy, is challenged every year to broaden the tax base and increase its tax to GDP ratio. Whereas higher tax rates are introduced to protect local industries, other new taxes are introduced to broaden the base. It is likely that the need to broaden the tax base will continue in the foreseeable future until countries become less reliant on borrowed funds to finance their budgets.

The new rates became effective on 1 July 2020.

For additional information with respect to this Alert, please contact the following:

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Indirect Tax

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