

Mr. Speaker

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ACTS, 2003

NAIROBI, 9th January, 2004

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THE FINANCE ACT, 2003**No. 15 of 2003***Date of Assent: 31st December, 2003**Date of Commencement: See Section I***An Act of Parliament to amend the law relating to various taxes and duties and for matters incidental thereto**

ENACTED by the Parliament of Kenya, as follows:—

PART I—PRELIMINARY

1. This Act may be cited as the Finance Act, 2003, and shall come into operation, or be deemed to have come into operation, as follows—

Short title and commencement.

- (a) section 58, on the 8th January, 1999;
- (b) section 60, on the 1st July, 2000;
- (c) sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 43, 44, 45, 46, 47, and 51, on the 13th June, 2003;
- (d) sections 9, 15 (a) (i), 15 (a) (ii), 15 (a) (iii), 15 (a) (iv), 15 (b), 17 (i), 17 (iv), 18 (b), 28 (b), 35 (a) (i), 35 (a) (ii), 35 (b) (ii) and 41 (b), 48, 49, 50, 52, 53, 54, 55, 56, 57, and 59, on the 1st July, 2003;
- (e) section 17 (ii) and 28 (a), on the 1st October, 2003;
- (f) section 17 (iii), 30 (a), 31 (a), 31 (b), 31 (c), 31 (d), 32, 36, 34, 37, 40 (a), 40 (b), 40 (c) and 41, on the 1st January, 2004;
- (g) all other sections, on the 12th June, 2003.

PART II—CUSTOMS AND EXCISE

Amendment of
section 2 of Cap.
472.

2. Section 2 of the Customs and Excise Act is amended—

(a) in subsection (1)—

(i) by deleting the words “goods and services” from the definition of “duty” and substituting therefor the words “goods, services and gaming takings”;

(ii) by inserting the following new definition in proper alphabetical sequence—

“regional market” means the countries with which Kenya shares a common border, and includes Rwanda, Burundi and the Congo;

(b) in subsection (2), by inserting the following new subparagraphs immediately after subparagraph (I) (ii)—

(iii) an additional duty of ten per centum shall be payable in respect of temporary imports when entered for home use;

(iv) an additional duty of ten per centum shall be payable in respect of transit goods when entered for home use;

(c) by inserting the following new paragraph immediately after paragraph (I)—

(II) goods shall be deemed to be unassembled if imported in a completely knocked down form by an approved assembler of such goods appointed by the Commissioner by notice in the Gazette:

Provided that the Commissioner may, by notice in the Gazette, specify goods which shall, notwithstanding the provisions of this paragraph, not be deemed to be unassembled.

(d) by inserting the expression "subject to paragraph (1f)" immediately before the word "radios" appearing at the beginning of paragraph (m).

3. Section 9 of the Customs and Excise Act is amended—

(a) in subsection (1), by inserting the expression "Subject to subsection (1A)" immediately before the words "the Commissioner";

(b) by inserting the following new subsection immediately after subsection (1)—

(1A) Notwithstanding the provisions of subsection (1), transit sheds and other customs areas shall—

(a) only be located in plots of not less than 2.5 hectares;

(b) have a railway siding in case of transit sheds handling goods imported by sea;

(c) be located not more than one kilometre from the runway, in the case of transit sheds used for the handling of goods imported by air;

(d) be located within or next to existing customs areas, in the case of transit sheds at frontier ports;

(e) where located inland, not be used for the handling of transit or transshipment goods;

(f) if appointed before the commencement of this subsection, comply with this subsection not later than the 31st December 2004.

Amendment of section 34 of Cap. 472.

4. Section 34 of the Customs and Excise Act is amended in subsection (2) by adding the following words at the end of paragraph (iv) of the proviso—

“and shall be re-exported or destroyed within thirty days of the date the goods are declared prohibited imports”.

Amendment of section 51 of Cap. 472.

5. Section 51 of the Customs and Excise Act is amended by inserting the following new subsection immediately after subsection (1)—

(1A) An application under subsection (1) shall be in such form and comply with such requirements as the Commissioner may, by notice in the Gazette, prescribe.

Insertion of section 51A in Cap.472.

6. The Customs and Excise Act is amended by inserting the following new section immediately after section 51—

Commissioner may licence duty free shops.

51A. (1) The Commissioner may, on application, license a room or premises situated in a port as a duty free shop, for the deposit of dutiable goods on which duty has not been paid and which have been entered for use as shipstores or for sale to passengers departing to places outside Kenya.

(2) An application under subsection (1) shall be in such form and comply with such requirements as the Commissioner may, by notice in the Gazette, prescribe.

(3) The Commissioner may refuse to issue a licence under this section without assigning any reason, or may, by notice in writing, revoke or refuse to renew a licence on such grounds as may be specified in the notice.

(4) Subject to this section, the provisions of this Act relating to bonded warehouses shall, *mutatis mutandis*, apply to duty free shops.

7. Section 91 of the Customs and Excise Act is amended by deleting subsection (5) and substituting therefor the following new subsection—

Amendment of
section 91 of
Cap. 472.

(5) A licence under this section shall be issued to a particular person and shall be in respect of the factory and class or classes of excisable goods specified in the licence, and—

- (a) the licensed factory shall not be used except for the manufacture of the excisable goods specified in the licence; and
- (b) only the licensee shall manufacture goods in the licensed factory.

8. Section 96 of the Customs and Excise Act is amended by inserting the following new subsection immediately after subsection (3)—

Amendment of
section 96 of
Cap. 472.

(3A) A licensee who fails to render a return in accordance with subsection (2) shall be liable to a default penalty of ten per centum of the amount of excise duty payable, in addition to any penalty that may be payable under section 225A.

No. 15

Amendment of
section 106 of
Cap. 472.

9. Section 106 of the Customs and Excise Act is amended by inserting a new proviso at the end of subsection (1) as follows—

“ Provided that spirits shall, where imported, be denatured prior to release from the port of importation, or, if locally manufactured, prior to release from the premises of the distiller”.

Amendment of
section 117 of
Cap. 472.

10. Section 117 of the Customs and Excise Act is amended by inserting after subsection (1) (f) the following paragraph—

(g) in respect of gaming takings, duty in accordance with the provisions of section 126A,

Insertion of new
section 126A in
Cap. 472.

11. The Customs and Excise Act is amended by inserting after section 126 the following section—

Duty on
gaming
receipts.

126A. (1) A duty is hereby imposed on the gaming takings of licensees of gaming premises, at the rate of five per cent of all such takings.

(2) The duty shall be payable by the licensee of the gaming premises at prescribed intervals.

- (3) The licensee of any gaming premises—
- (a) shall make and preserve such records, and furnish such returns, in relation to its gaming takings as may be prescribed; and
 - (b) shall afford the proper officer full and free access to all such records and to all parts of the premises—
 - (i) at all times while they are open for gaming or other business; and
 - (ii) at such other times as the Commissioner may direct by order in writing issued to the proper officer.

(4) Without limiting the generality of subsection (3) (b), the proper officer, for the purposes of ascertaining whether the provisions of this section are being complied with, shall have and may exercise, in relation to the licensee, the same powers as are conferred by paragraphs (a) to (e) of subsection (2) of section 174.

(5) The proper officer, when acting in reliance upon an order referred to in subsection (3) (b) (ii), shall produce a copy of the order to the licensee or person in charge of the premises at the material time.

(6) A licensee who—

- (a) neglects or fails to pay any duty, to make or preserve any record or to furnish any return as required by or under this section; or
- (b) fails to afford the proper officer full and free access as required by subsection (3) (b),

shall be guilty of an offence.

(7) The provisions of subsection (3A) of section 96 shall apply in respect of a return required to be furnished under this section in the same way as they apply to a return under subsection (2) of that section.

(8) In this section—

Cap. 131. “gaming” and “gaming premises” have the same meanings as in the Betting, Lotteries and Gaming Act;

Cap. 131. “licensee”, in relation to gaming premises, means the holder of a licence in force under section 46 of the Betting, Lotteries and Gaming Act in respect of the premises;

“gaming takings” means the total amount of wagered stakes taken by the licensee from gaming conducted on the premises during a prescribed period, reduced by the total amount paid out by the licensee on wagers in the course of such gaming during that period.

Amendment of
section 127C of
Cap. 472.

12. Section 127C of the Customs and Excise Act is amended by deleting subsections (3) and (4) and

substituting therefor the following subsection—

(3) For the purposes of subsection (2), the ex-factory selling price shall not include—

- (a) value added tax;
- (b) cost of returnable containers; or
- (c) cost of excise stamps.

13. Section 138 of the Customs and Excise Act is amended in subsection (2) by deleting paragraph (c) and substituting therefor the following—

Amendment of
section 138 of
Cap. 472

- (c) goods donated or purchased for donation by any person to non-profit making organizations or institutions approved by the Government, for their official use or for free distribution to poor and needy persons, or for use in medical treatment, educational, religious or rehabilitation work, or other projects approved by the Government.

14. The First Schedule to the Customs and Excise Act is amended—

Amendment of
First Schedule to
Cap.472.

- (a) by making the various amendments set out in the First Schedule to this Act in the manner specified therein;
- (b) by inserting the new rates of duty set out in the Second Schedule to this Act.

15. The Third Schedule to the Customs and Excise Act is amended—

Amendment of
Third Schedule
to Cap. 472.

- (a) in Part A—
 - (i) by deleting item 26 and substituting therefor the following new item—

26. *Kenya military and police officers returning from United Nations peace-keeping missions outside Kenya.*

One personal passenger motor vehicle (excluding buses and mini-buses of a seating capacity of more than 8 passengers and load-carrying vehicles of a load-carrying capacity exceeding 1.5 tonnes) imported by a military or police officer returning from a United Nations peace-keeping mission outside Kenya:

Provided that—

- (a) the motor vehicle was purchased prior to the return of the officer into the country; and
- (b) the exemption from tax liability shall not exceed the limits specified in the table hereunder—

| <i>Category</i> | <i>Military Officers</i> | <i>Police Officers</i> | <i>Maximum Tax exempted</i> |
|-----------------|----------------------------|--|-----------------------------|
| Category I | Private to Senior Sergeant | Constable to Senior Sergeant | Kshs.800,000/= |
| Category II | Warrant officer to Captain | Inspector to Chief Inspector | Kshs.1,200,000/= |
| Category III | Major to Full Colonel | Superintendent to Assistant Commissioner | Kshs.1,500,000/ |
| Category IV | Brigadier and above | Senior Assistant Commissioner and above | Kshs.2,000,000/= |

- (ii) by deleting the words “ordered for or” from paragraph (d) of item 27.
- (iii) by inserting the words “Kenya Wildlife Service” immediately after the words “Administration Police” appearing in item 29;
- (iv) by deleting item 31 and substituting therefor the following new item—

31. Sports Goods and Equipment

Goods imported by, or on behalf of, or donated to, the Ministry responsible for sports with the prior written approval of the Permanent Secretary to the Treasury, given on the recommendation of the Permanent Secretary of the Ministry responsible for sports, for sole use in the promotion of sports in Kenya.

(b) in Part B—

- (i) by deleting the expression “(kerosene type)” appearing in item 1C and substituting therefor the words “and aviation spirit”.
- (ii) by inserting a new item 34 as follows—

34. Hatching Eggs

Hatching eggs for breeding purposes imported by hatcheries approved by the Commissioner by notice in the Gazette, upon recommendation by the Director of Veterinary Services.

(c) by deleting Part C and substituting therefor the new Part—

PART C—SPECIAL DUTY RATE

GOODS LIABLE TO FREE RATE OF DUTY

1. Capital goods, Plant and Machinery for Investment

Capital goods, plant and machinery (excluding motor vehicles, office furniture, typewriters, copying equipment, stationery, kitchenware, crockery, liners, draperies, carpets, safes, refrigerators and raw materials) pursuant to such conditions and limitations as may be prescribed in regulations, subject to written approval by the Permanent Secretary to the Treasury.

2. Cold storage equipment and Refrigerated Goods Transport Vehicles

Cold storage equipment and refrigerated goods transport vehicles, imported or purchased before clearance through the Customs by farmers, upon the written recommendation of the Director of Agriculture in such quantities as the Commissioner may allow, subject to written approval of the Permanent Secretary to the Treasury.

Amendment of
Fourth Schedule
to Cap. 472.

16. The Fourth Schedule to the Customs and Excise Act is amended in the manner specified in the Third Schedule to this Act.

17. The Fifth Schedule to the Customs and Excise Act is amended—

Amendment of
Fifth Schedule to
Cap. 472.

- (i) in the manner specified in Part I of the Fourth Schedule to this Act;
- (ii) in the manner specified in Part II of the Fourth Schedule to this Act;
- (iii) in the manner specified in Part III of the Fourth Schedule to this Act;
- (iv) in the manner specified in Part IV of the Fourth Schedule of this Act;

18. The Eighth Schedule to the Customs and Excise Act is amended—

Amendment of
Eighth Schedule
to Cap. 472.

- (a) in Part A, by inserting the following new proviso at the end of item 12—

“Provided that such goods shall be re-exported or destroyed within thirty days of the date the goods are declared prohibited imports”;

- (b) by inserting the following new paragraph immediately after paragraph (4)—

(4A) Denatured Spirits, unless in respect of each consignment, there is produced a certificate issued in the country of exportation or shipment by such official authority as may be acceptable to the Commissioner, that the spirits have been denatured in accordance with the provisions of this Act.

PART III—VALUE ADDED TAX

Amendment of
section 2 of Cap.
476.

19. Section 2 of the Value Added Tax Act is amended in subsection (1)—

- (a) by deleting the definition of “exempt supplies” and substituting therefor the following new definition—

“exempt supplies” means supplies of goods and services specified in the Second and Third Schedules respectively, which are not subject to tax.

- (b) by deleting the definition of “services” and substituting therefor the following new definition—

“services” means—

- (a) any supply by way of business that is not a supply of goods or money; or

- (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right),

but does not include a service provided by an employee to his employer for a wage or salary.

Amendment of
section 9 of Cap.
476.

20. Section 9 of the Value Added Tax Act is amended—

- (a) by deleting subsection (4) and substituting therefor the following new subsection—

(4) In calculating the price of accommodation and restaurant services—

- (a) any charge made in respect of the Catering Training and Tourism Development Levy; and

(b) any service charge made in lieu of tips or gratuities,
shall be excluded:

Provided that the proceeds of the service charge referred to in paragraph (b) shall be distributed directly to the employees of the hotel or restaurant, in accordance with a written agreement between the employer and employees, and the service charge shall not exceed ten percent of the price of the service excluding, such service charge.

(b) by inserting the following new subsection immediately after subsection (9)—

(10) In subsection (4), “Catering Training and Tourism Development Levy” means the levy by that name imposed under section 16 of the Hotels and Restaurants Act.

Cap.494.

21. Section 11 of the Value Added Tax Act is amended by deleting subsection (1B) and substituting therefor the following new subsection—

Amendment of
section 11 of
Cap. 476.

(1B) Where, under subsection (1)—

- (a) a registered person deducts input tax in respect of business premises in which taxable supplies are made; and
- (b) subsequent upon such deduction, the whole or any portion of such premises is—

- (i) sold or disposed of; or
- (ii) converted for use in making exempt supplies, before the expiry of five years from the date the construction of such premises was completed,

such tax, or the portion thereof relating to the sold, disposed of or converted premises, shall be refunded to the Commissioner within thirty days of such sale, disposal or conversion:

Provided that where the premises are sold or disposed of, the input tax refundable by the registered person shall be output tax for the purposes of the Act.

Amendment of
section 23 of
Cap. 476.

22. Section 23 of the Value Added Tax Act is amended in subsection (3)—

- (a) by deleting the words “not apply to a taxable person, and shall” appearing immediately after the word “shall”;
- (b) by deleting paragraph (a) and substituting therefor the following new paragraph—
 - (a) capital goods (excluding motor vehicles) imported or purchased for investment;
- (c) by deleting paragraph (b) and substituting therefor the following new paragraph—
 - (b) such other goods, including motor vehicles and computers, donated or purchased for donation by any person to non-profit making organizations or institutions approved by the Government, for their official use or for free distribution to the poor and needy persons, or for use in medical treatment, educational, religious or rehabilitation work or other Government approved projects;

- (d) by deleting paragraph (e) and substituting therefor the following new paragraph—
 - (e) official aid funded projects.
- (e) by inserting the following new paragraph immediately after paragraph (i)—
 - (j) goods imported under bond for manufacture of exports, indirect exports, goods free of import duty, goods for use in official aid-funded projects and goods for use in manufacture of goods which are in turn supplied to another manufacturer of goods under the Essential Goods Support Programme.

23. Section 33 of the Value Added Tax Act is amended—

Amendment of
section 33 of
Cap. 476.

- (a) in subsection (1), by inserting the words, “upon giving notice in writing to the Commissioner,” immediately before the words “within thirty days”;
- (b) by deleting subsection (2) and substituting therefor the following new subsection—
 - (2) A party to an appeal under subsection (1) who is dissatisfied with the decision of the Tribunal thereon may appeal to the High Court within fourteen days of being notified of the decision:

- Provided that, before filing the appeal—
- (i) where the person appealing under this subsection is not the Commissioner; and
 - (ii) the appeal is in respect of a dispute to which paragraph (i) of the proviso to subsection (1) applies,

such person shall deposit with the Commissioner the full amount of the tax disputed.

Replacement of
First Schedule to
Cap. 476.

24. The Value Added Tax Act is amended by repealing the First Schedule and replacing it with a new First Schedule as set out in the Fifth Schedule to this Act.

Amendment of
Second
Schedule to Cap.
476.

25. The Second Schedule to the Value Added Tax Act is amended in the manner specified in the Sixth Schedule to this Act.

Amendment of
Third Schedule
to Cap. 476.

26. The Third Schedule to the Value Added Tax Act is amended in paragraph 17 (b) by deleting the words “Ministry of Culture and Social Services” and substituting therefor the words “Ministry for the time being responsible for culture and social services”.

Amendment of
Fifth Schedule
to Cap. 476.

27. The Fifth Schedule to the Value Added Tax Act is amended—

(a) in Part A—

- (i) by deleting the proviso to item 7;
- (ii) by inserting the following new item immediately after item 14—

15. Supply of water drilling services including any services supplied in connection therewith.

(b) in Part B, by making the amendments set out in the Seventh Schedule to this Act.

28. The Eighth Schedule to the Value Added Tax Act is amended—

Amendment of
Eighth Schedule
to Cap. 476.

(a) in Part A—

(i) by deleting paragraph (d) of item 21 and substituting therefor the following new paragraph—

(d) unless the motor vehicle was purchased prior to such recall;

(ii) by inserting the words “Kenya Wildlife Service”, immediately after the words, “Administration Police”, wherever they appear in item 23;

(iii) by deleting item 25 and substituting therefor the following new item—

25. *Sports goods and equipment*

Goods imported or purchased by or on behalf of, or for donation to, the Ministry for the time being responsible for sports, with prior written approval of the Permanent Secretary to the Treasury given on the recommendation of the Permanent Secretary to the Ministry responsible for Sports, for sole use in the promotion of sports in Kenya;

(iv) by inserting the following new item—

30. Kenya Military and Police Officers returning from United Nations peace-keeping missions outside Kenya

One passenger motor vehicle (excluding buses and minibuses of a seating capacity of more than 8 passengers and load carrying vehicles of a load carrying capacity exceeding 1.5 tonnes) imported by a military or police officer returning from a United Nations peace-keeping mission outside Kenya:

Provided that—

- (a) the motor vehicle was purchased prior to the return of the officer into the country;
- (b) the exemption from tax liability shall not exceed the limits specified in the table hereunder—

| <i>Category</i> | <i>Military Officers</i> | <i>Police Officers</i> | <i>Maximum Tax exempted</i> |
|-----------------|----------------------------|--|-----------------------------|
| Category I | Private to Senior Sergeant | Constable to Senior Sergeant | Kshs.800,000/= |
| Category II | Warrant officer to Captain | Inspector to Chief Inspector | Kshs.1,200,000/= |
| Category III | Major to Full Colonel | Superintendent to Assistant Commissioner | Kshs.1,500,000/ |
| Category IV | Brigadier and above | Senior Assistant Commissioner and above | Kshs.2,000,000/= |

- (b) in Part B by inserting the following new items immediately after item 25—

26. Jet Fuel and Aviation Spirit

Jet fuel and aviation spirit purchased by an aircraft owner or operator for use in an aircraft engine.

27. Electrical energy imported for distribution into the national grid.

PART IV—INCOME TAX

29. Section 2 of the Income Tax Act is amended in the definition of “return of income”, by inserting the following immediately after the expression “section 52”—

Amendment of section 2 of Cap. 470.

“including a return of income together with a self-assessment of tax furnished to the Commissioner in accordance with the provisions of section 52B”.

30. Section 5 of the Income Tax Act is amended—

Amendment of section 5 of Cap. 470.

- (a) in subsection (2), by deleting the words “twelve thousand shillings” appearing in paragraph (b) and substituting therefor the words “twenty-four thousand shillings”;
- (b) in subsection (5)—
- (i) by deleting the words “such value as the Commissioner may, from time to time prescribe” and substituting therefor the words “the fair market value of the benefit”;
- (ii) by inserting at the end of the subsection the following proviso—

Provided that, the Commissioner may from time to time prescribe the value where the cost or the fair market value of a benefit cannot be determined.

Amendment of
section 8 of Cap.
470.

31. Section 8 (5) of the Income Tax Act is amended—

- (a) in paragraph (a), by deleting the expression “the first three hundred and sixty thousand shillings” and substituting therefor the expression “the first four hundred and eighty thousand shillings”;
- (b) in paragraph (b)—
 - (i) by deleting the expression “the first thirty-six thousand shillings” appearing in subparagraph (i) and substituting therefor the expression “the first forty-eight thousand shillings”;
 - (ii) by deleting the expression “the first three hundred and sixty thousand shillings” appearing in subparagraph (ii) and substituting therefor the expression “the first four hundred and eighty thousand shillings”;
- (c) in paragraph (c), by deleting the expression “the first two hundred and forty thousand shillings or the first twenty-four thousand shillings” appearing in subparagraph (i) and substituting therefor the expression “the first four hundred and eighty thousand shillings or the first forty-eight thousand shillings”;
- (d) in paragraph (d), by deleting the expression “the first three hundred and sixty thousand shillings” and substituting therefor the expression “the first four hundred and eighty thousand shillings”.

32. Section 15 of the Income Tax Act is amended in the proviso to subsection (4) by inserting the following new subparagraph immediately after subparagraph (ii)—

“(iii) a deficit of a life insurance business of a resident insurance company for the year of income 2002 shall be regarded as having arisen entirely in that year of income and shall be allowable only against future income of the ordinary life insurance business of the company”.

Amendment of
section 15 of
Cap. 470.

33. Section 16 of the Income Tax Act is amended in subsection (2) by deleting the expression “19 (4)” appearing in paragraph (1) and substituting therefor the expression “19A”.

Amendment of
section 16 of
Cap. 470.

34. Section 19A of the Income Tax Act is amended—

- (a) by deleting the comma and words “but the deduction shall in no case exceed an amount equal to eighty per centum of the total income of the society for that year of income” appearing at the end of subsection (3);
- (b) by deleting paragraphs (a) and (b) of subsection (4) and substituting therefor the following new paragraphs—
 - (a) fifty per centum of its gross income from interest (other than interest from its members);
 - (b) its gross income from any right granted for the use or occupation of any property, not being a royalty, ascertained in accordance with the provisions of this Act;”

Amendment of
section 19A of
Cap.470.

No. 15

Amendment of
section 35 of
Cap. 470.

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

(a) in subsection (1)—

(i) by inserting a comma and the words “except a commission paid to a non-resident agent in respect of flowers exported from Kenya and auctioned in any market outside Kenya” immediately after the word “fee” appearing in paragraph (a);

(ii) by inserting a comma and the words “except aircraft” immediately after the word “property” appearing in paragraph (c);

(b) in subsection (3)—

(i) by renumbering subparagraphs (a) and (b) of the proviso to paragraph (b) as subparagraphs (i) and (ii) respectively;

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

(f) consultancy, agency or contractual fee the aggregate value of which is twenty-four thousand shillings or more in a month.”

Amendment
of section 35
of Cap. 470.

36. Section 35 of the Income Tax Act is amended in subsection (3) (d) by inserting the expression “(except a commission or fee paid or credited to another insurance company)” immediately after the words “group of persons”;

Amendment of
section 39A of
Cap. 470.

37. Section 39A of the Income Tax Act is amended in subsection (1) by deleting the expression “5 million” and substituting therefor the words “seventy thousand”.

38. Section 119 of the Income Tax Act is amended in subsection (1) by deleting the word “assessor” and substituting therefor the words “Principal Revenue Officer”.

Amendment of section 119 of Cap. 470.

39. Section 120 of the Income Tax Act is amended in subsection (1) by deleting the word “assessor” and substituting therefor the words “Principal Revenue Officer”.

Amendment of section 120 of Cap. 470.

40. The Second Schedule to the Income Tax Act is amended—

Amendment of the Second Schedule to Cap. 470.

(a) in paragraph 24 (2) (a)—

- (i) by deleting the percentage “60%” appearing in relation to the date “1st January, 2004” and substituting therefor the percentage “100%”;
- (ii) by inserting the following new items immediately after the items relating to 1st January, 2004—

| | |
|-------------------------------|------|
| 1 st January, 2005 | 100% |
| 1 st January, 2006 | 100% |
| 1 st January, 2007 | 100% |
| 1 st January, 2008 | 100% |

(b) in paragraph 24 (2) (b)—

- (i) by deleting the percentage “60%” appearing in relation to the date “1st January, 2004” and substituting therefor the percentage “100%”;
- (ii) by inserting the following new items immediately after the items relating to 1st January, 2004—

| | |
|-------------------------------|------|
| 1 st January, 2005 | 100% |
| 1 st January, 2006 | 100% |
| 1 st January, 2007 | 100% |
| 1 st January, 2008 | 100% |

(c) in paragraph 24A(2B)—

- (i) by deleting the percentage “40%” appearing in relation to the date “1st January, 2004” and substituting therefor the word “Nil”;
- (ii) by inserting the following new items immediately after the items relating to 1st January, 2004—

| | |
|-------------------------------|-----|
| 1 st January, 2005 | Nil |
| 1 st January, 2006 | Nil |
| 1 st January, 2007 | Nil |
| 1 st January, 2008 | Nil |

Amendment of
Third Schedule
to Cap. 470.

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

(a) in item 3 by inserting the following new paragraph (k) immediately after paragraph (j)—

(k) in respect of gains or profits from the business of a ship-owner which is chargeable to tax under section 9 (1) of the Act, two and a half percent of the gross amount received.

(b) in item 5—

(i) by inserting the words “made after the expiry of fifteen years or on the attainment of the age of fifty years or upon earlier retirement on the grounds of ill health or infirmity of body and mind” after the word “withdrawal” in subparagraph (d) (i);

(ii) by inserting the following proviso at the end of subparagraph (d) (i)—

“Provided that the tax so deducted shall be final.”

(iii) by inserting the word “a” before the words “registered individual”;

(iv) by renumbering subparagraph (ii) as subparagraph (iii) and inserting the following subparagraph immediately before it—

(ii) in respect of a withdrawal before the expiry of fifteen years from a registered pension fund, registered provident fund, the National Social Security Fund or a registered individual retirement fund in excess of the tax free amounts specified under section 8 (4) and 8 (5) in any one year, and provided that tax has not been deducted under section 37—

10% on the first Shs.116,160

15% on the next Shs.109,440

20% on the next Shs.109,440

25% on the next Shs.109,440

30% on any amount over Shs.444,480 of the amount in excess of the tax free amount;

(c) in paragraph (f)—

(i) by deleting the expression “ten percent” appearing in subparagraph (i) and substituting therefor the expression, “five per cent”;

(ii) by deleting the expression “five per cent” appearing in subparagraph (ii) and substituting therefor “three per cent”.

42. Paragraph 4 of the Eleventh Schedule to the Income Tax Act is amended by inserting the expression “or a return of income, together with a self-assessment of tax under section 52B” immediately after the expression “under section 52”.

Amendment of
Eleventh
Schedule to
Cap.470.

PART V—MISCELLANEOUS

Amendment of section 19 of Cap.221.

43. Section 19 of the Kenya Broadcasting Corporation Act is amended by deleting subsection (3).

Repeal of Part VI of Cap.221.

44. The Kenya Broadcasting Corporation Act is amended by repealing Part VI.

Amendment of First Schedule to Cap.469.

45. The Kenya Revenue Authority Act is amended in Part II of the First Schedule by deleting the expression "L.N.225" appearing in item 10 and substituting therefor the expression "L.N.228".

Amendment of section 12 of Cap 485A.

46. Section 12 of the Capital Markets Act is amended in subsection (1) by inserting a comma and the words "in consultation with the Minister" immediately after the words "the Authority".

Amendment of section 3 of Cap. 488.

47. Section 3 of the Banking Act is amended by inserting the following proviso immediately after subsection (1)—

Cap 485A.

Provided that the provisions of paragraphs (b) and (c) of this subsection shall not apply to investment banks licensed under section 11 (3) of the Capital Markets Act.

Amendment of section 31 of Cap. 488.

48. Section 31 of the Banking Act is amended—

(a) in subsection (3) (b), by inserting a comma and the words "in regulations" immediately after the words "the Minister may";

(b) by inserting the following new subsection immediately after subsection (3)—

(4) Without prejudice to the generality of subsection (3) (b), regulations under that subsection may provide for the establishment and operation of credit reference bureaus, for the purpose of collecting prescribed credit information on clients of institutions licensed under this Act, and disseminating it amongst such institutions for use in the ordinary course of business, subject to such conditions or limitations as may be prescribed.

49. Section 35 of the Banking Act is amended by deleting subsection (5) and replacing with the following—

Amendment of
section 35 of
Cap .488.

(5) Notwithstanding the provisions of any other written law, the Board shall have power to—

- (a) carry on the business of the institution so far as may be necessary for the beneficial winding up thereof;
- (b) appoint an advocate to assist it in the performance of its duties;
- (c) pay any classes of creditors in full;
- (d) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, certain or contingent, ascertained or sounding only whereby the institution may be rendered liable;

- (e) compromise all calls and liabilities to call, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, ascertained or sounding only in damages, subsisting or supposed to be subsisting between an institution and a contributory or alleged contributory or other debtor or person apprehending liability to the institution and all questions in any way relating to or affecting the assets or the winding up of the institution, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect thereof:

Provided that any interested party aggrieved by the exercise of any of the powers specified herein may apply to the High Court for orders as appropriate.

Amendment of
section 35A of
Cap. 488.

50. The Banking Act is amended in section 35A—

- (a) by inserting the following new proviso at the end thereof—

Provided that the Board may, where it is appointed as a liquidator under this Act, in the event of assets being insufficient to satisfy liabilities, authorize payment out of the assets, of the costs, charges and expenses incurred in the winding up, in such order or priority as it may consider appropriate.

- (b) by renumbering the existing provision as subsection (1) and inserting a new subsection as follows—

(2) Notwithstanding anything to the contrary contained in any other written law, the Board or an institution under liquidation shall not be required to provide security for costs in any suit or other legal proceedings initiated or defended by such liquidators or institutions.

51. The Second Schedule to the Banking Act is amended in item 1—

Amendment of
Second
Schedule to
Cap.488.

- (a) by deleting the words “two hundred million” appearing in paragraph (d) and substituting therefor the words “two hundred and fifty million”;
- (b) by deleting the words “one hundred and fifty million” appearing in paragraph (e) and substituting therefor the words “two hundred million”;
- (c) by deleting the proviso.

52. Section 4A of the Central Bank of Kenya Act is amended—

Amendment of
section 4A of
Cap. 491.

- (a) by deleting paragraph (d) and substituting therefor the following new paragraph—
 - (d) formulate and implement such policies as best promote the establishment, regulation and supervision of efficient and effective payment, clearing and settlement systems;
- (b) by renumbering the existing provision as subsection (1) and inserting a new subsection as follows—
 - (2) In subsection (1) (d)—

“clearing” means the process of transmitting, reconciling and confirming payments prior to settlement, including the netting of payments and the establishment of net positions for settlement;

“payment system” means a system of instruments, procedures and rules for the transfer of funds among system participants;

“settlement” means an act that discharges financial obligations between two or more parties.

Insertion of section 46A in Cap. 491.

53. The Central Bank of Kenya Act is amended by inserting the following new section immediately after section 46—

Loans and advances to Deposit Protection Fund Board.
Cap. 488.

46A. (1) Subject to section 37 (1) of the Banking Act, the Bank may grant loans or advances for fixed periods, not exceeding three years, to the Deposit Protection Fund Board on the security of Treasury Bills or other Government securities specified by the Bank.

Amendment of section 49 of Cap. 491.

54. The Central Bank of Kenya Act is amended in section 49 by inserting a comma and the expression “46A” immediately after the expression “46”.

Amendment of section 16 of Cap. 494.

55. The Hotels and Restaurants Act is amended in section 16 by deleting subsection (5) and replacing it with the following new subsection—

(5) If any person fails to pay any amount payable by him by way of the levy on or before the date prescribed by the order, such person shall be liable to a penalty of five thousand shillings and thereafter to an additional penalty of three per centum of the amount of the levy due, for each month or part thereof during which the amount due remains unpaid.

56. The Hotels and Restaurants Act is amended by inserting the following new sections immediately after section 20—

Insertion of section 20A in Cap.494.

Appoint-
ment of
agents.

20A. (1) The Trustees may, by written notice addressed to any person—

- (a) appoint such person to be the agent of a licensee for the purposes of the collection and recovery of the levy due from such licensee; and
- (b) specify the amount of levy to be collected and recovered by such agent.

(2) An agent shall pay the levy specified in his appointment notice out of any moneys which may, at any time during the twelve months following the date of the notice, be held by him for, or due from him to the licensee.

(3) Where a person appointed under subsection (2) claims to be, or to have become unable to comply with subsection (2) by reason of the lack of moneys held by or due from him, he shall, as soon as may be practicable, notify the trustees accordingly in writing setting out fully the reasons for his inability so to comply and the Trustees may—

- (a) accept the notification and cancel or amend the appointment notice accordingly; or
- (b) if they are not satisfied with the reasons, reject the notification in writing.

(4) Unless and until a notification is given by an agent under subsection (3)—

- (a) sufficient money for the payment of the levy specified in his appointment notice shall be presumed to be held by him for, or due from him to, the licensee; and
- (b) in any proceedings for the collection or recovery of that levy, he shall be estopped from asserting the lack of those moneys.

(5) For the purposes of this section, the Trustees may, by notice in writing, at any time require any person to furnish them within a reasonable time, not being less than thirty days from the date of service of the notice, with a return showing any moneys which may be held by that person for, or due from him to, a licensee from whom a levy is due.

(6) A person who has paid the levy under this section shall, for all purposes, be deemed to have acted with the authority of the licensee, and shall be indemnified in respect of that payment against all proceedings, civil or criminal, and all process, judicial or extrajudicial, notwithstanding any provisions to the contrary in any written law, contract or agreement.

(7) Any person who, without lawful cause or excuse—

(a) fails to comply within thirty days, with a notice given by the Trustees under this section; or

(b) discharges any liability to a licensee in disregard of such notice;

shall be guilty of an offence and liable to a fine not exceeding five thousand shillings or to imprisonment for a term not exceeding six months, or to both, and shall, in addition, be liable to pay to the Trustees the amount of any liability discharged.

20B. (1) Notwithstanding the provisions of this Act, in any case where the Trustees are of the opinion that they should refrain from recovering levy from any licensee by reason of impossibility, or undue difficulty or expense of the recovery of the levy, the Trustees may refrain from recovering the levy in question and thereupon liability to the levy shall be deemed to be extinguished or abandoned.

Trustees
may refrain
from
recovering
levy in
certain
cases.

(2) Where the Trustees have decided to refrain from recovery of levy under subsection (1), they shall report that decision in writing to the Minister within three months next following the decision.

(3) Where a case has been referred to the Minister, and where he considers it appropriate, he may, in writing, direct the Trustees to—

- (a) take such action under this section as the Minister may deem fit; or
- (b) obtain the direction of the court upon the case.

Amendment of section 15 of Cap. 505.

57. Section 15 of the Trade Descriptions Act is amended by deleting the words "five hundred thousand" and substituting therefor the words "two million".

Insertion of new section 59 in Act No 3 of 1997.

58. The Retirement Benefits Act is amended by inserting the following section immediately after section 58—

Exemption from compliance with provisions of this Act.

59. The Minister may, by order published in the Gazette—

- (a) exempt any person or class of persons from compliance with any specified provisions of this Act; or
- (b) extend the time for compliance by any person or class of persons with any specified provisions of this Act:

Provided that nothing in this section shall apply in respect of any of the provisions of Part III of this Act.

59. The Kenya Roads Board Act, 1999 is amended in section 18 by inserting a new subsection immediately after subsection (1) as follows—

Amendment of
the section 18 of
No.7 of 1999

(1A) The Minister may, by notice in the Gazette, amend the Third Schedule.

60. The Kenya Roads Board Act, 1999 is amended in the Third Schedule by inserting the following new item—

Amendment of
Third Schedule
to No.7 of 1999

Cap. 265. 4. A city or a municipality within the meaning of the Local Government Act

61. Section 311 of the Companies Act is amended—

Amendment of
section 311 of
Cap. 486.

(a) in subsection (1) (e) by inserting the words “or the Retirement Benefits Act” after the words “Fund Act”;

(b) in subsection (2) by deleting the words “four thousand” and substituting therefor the words “twenty thousand”.

(Amendments, other than of rates of duty only, to the First Schedule to the Customs and Excise Act, Cap. 472).

| <i>Heading No.</i> | <i>H.S. Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|---|------------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
| CHAPTER 8 | | | | | | |
| Delete all references to Tariff No. 0802.90.10 and insert the following tariff numbers together with their corresponding descriptions, Import Duty, S.I.T.C. and Unit of Quantity. | | | | | | |
| 0802 | 0802.90 | | - Macadamia nuts | | | |
| | | 0802.90.11 | --- In shell | 15% | 057 791 00 | Kg |
| | | 0802.90.19 | --- Other | 15% | 057 791 10 | Kg |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|

CHAPTER 15

Delete all references to
Tariff Nos. 1511.90.10;
1511.90.20 and
1511.90.90 and insert the
following tariff number
together with its
corresponding
Descriptions, Import
Duty, S.I.T.C. and Unit
of Quantity.

| | | | | |
|------------|----------|-----|------------|-----|
| 1511.90.00 | - Other. | 30% | 422 290 00 | Kg. |
|------------|----------|-----|------------|-----|

CHAPTER 20

Delete all references to
tariff nos. 2009.19.00,
2009.29.00, 2009.39.00,

| Heading No. | H.S. Code | Tariff No. | Amendments to Text | Import Duty | S.I.T.C. | Unit of Quantity |
|-------------|-----------|------------|---|-------------|----------|------------------|
| | | | 2009.49.00, 2009.69.00, 2009.79.00, 2009.80.90 and substitute therefor the following— | | | |
| | 2009.19 | | ---Other | | | |
| | | 2009.19.10 | ---Of a brix value exceeding 50. | 35% | 05912010 | Kg |
| | | 2009.19.90 | ---Other | 35% | 05912090 | Kg |
| | 2009.29 | | ---Other | | | |
| | | 2009.29.10 | ---Of a brix value exceeding 50 | 35% | 05929010 | Kg |
| | | 2009.29.90 | ---Other | 35% | 05929090 | Kg |
| | 2009.39 | | --Other | | | |
| | | 2009.39.10 | ---Of a brix value exceeding 50. | 35% | 05991910 | Kg |
| | | 2009.39.90 | ---Other | 35% | 05939090 | Kg |
| | 2009.49 | | ---Other | | | |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|----------------------------------|--------------------|-----------------|-------------------------|
| | | 2009.49.10 | ---Of a brix value exceeding 50. | 35% | 05991910 | Kg |
| | | 2009.49.90 | ---Other | 35% | 05991990 | Kg |
| | 2009.69 | | ---Other | | | |
| | | 2009.69.10 | ---Of a brix value exceeding 50. | 35% | 05992910 | Kg |
| | | 2009.69.90 | ---Other | 35% | 05992990 | Kg |
| | 2009.79 | | ---Other | | | |
| | | 2009.79.10 | ---Of a brix value exceeding 50 | 35% | 05994910 | Kg |
| | | 2009.79.90 | ---Other | 35% | 05994990 | Kg |
| | 2009.80 | | ---Other | | | |
| | | 2009.80.91 | ----Of a brix value exceeding 50 | 35% | 05995910 | Kg |
| | | 2009.80.99 | ----Other | 35% | 05995990 | Kg |

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No. 15

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|

CHAPTER 21

Insert the following
National Notes
immediately after the
Chapter Notes—

National Notes

For the purposes of this
Chapter, preparations of
kind used for the
manufacture of alcoholic
and non-alcoholic
beverages does not
include alcoholic and
non-alcoholic beverages
or preparations which
can be rendered Ready
To Drink (RTD) by
simple dilution (Chapter

| <i>Heading No.</i> | <i>H.S. Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|------------------|-------------------|---|--------------------|-----------------|-------------------------|
| | | | 22). | | | |
| | | | Delete all references to Tariff Nos. 2106.90.30; 2106.90.40; 2106.90.60 and 2106.90.70 and insert the following tariff numbers and their corresponding descriptions, Import Duty, S.I.T.C. and Unit of Quantity. | | | |
| | | | Insert the following Tariff number and its corresponding Descriptions, S.I.T.C and Unit of Quantity. | | | |
| 2106 | 2106.90 | 2106.90.70 | ---Concentrated juices not elsewhere included or | 35% | 059 959 00 | Litre |

| Heading No. | H.S.Code | Tariff No. | Amendments to Text | Import Duty | S.I.T.C. | Unit of Quantity |
|-------------|----------|------------|---|-----------------------------------|------------|------------------|
| | | | specified. | | | |
| | | | CHAPTER 22 | | | |
| | | | Delete all references to Tariff Nos.2206.00.10; 2206.00.21 and 2206.00.29 and insert the following Tariff numbers and their corresponding Descriptions, Import Duty, S.I.T.C. and the Unit of Quantity. | | | |
| 2206 | 2206.00 | | ---Beer not made from malt. | | | |
| | | 2206.00.11 | ----In containers of 2 litres or less. | Per litre Shs.25.40 or 30%. | 112 219 00 | Litre |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|-----------------------------------|-----------------|-------------------------|
| | | 2206.00.19 | ---- Other. | Per litre Shs.16.80 or 25%. | 112 299 00 | Litre |

CHAPTER 39

Delete all reference to tariff numbers 3919.90.10, 3919.90.21 and 3919.90.29 and insert the following tariff numbers and their corresponding Descriptions, Import Duty, S.I.T.C and Unit of Quantity.
 ---In rolls of a width exceeding 20cm.

| | | | | | | |
|------|---------|------------|-----------------|-----|------------|----|
| 3919 | 3919.90 | 3919.90.11 | ---- Unprinted. | 3% | 582 192 00 | Kg |
| | | 3919.90.19 | ---- Other. | 25% | 582 192 10 | Kg |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---|--------------------|-----------------|-------------------------|
| | | | Delete tariff No. 3923.50.90 and substitute therefor tariff No. 3923.50.00 | | | |
| | | 3923.50.00 | -stoppers, lids, caps and other closures. | 25% | | Kg |

CHAPTER 48

Delete all references to
tariff number 4802.57.00
and insert the following
tariff numbers and their
corresponding
Descriptions, Import Duty,
S.I.T.C. and Unit of
Quantity.

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|--|--------------------|-----------------|-------------------------|
| | | | --Other paper and paperboard weighing 40 g/m ² or more but not more than 150 g/m ² . | | | |
| 4802 | 4802.57 | 4802.57.10 | --- Water marked security paper | 35% | 641 267 00 | Kg |
| | | 4802.57.90 | --- Other | 35% | 641 267 10 | Kg |

CHAPTER 51

Delete the existing unit of quantity in respect of tariff Nos. 5112.20.00; 5112.30.00; 5122.90.00 and 5113.00.00 and insert therefor the expression "Sq.m.".

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-----------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-----------------------------|

CHAPTER 52

Delete the existing unit of quantity in respect of tariff No. 5216.31.00 and insert therefor the expression "Sq.m."

CHAPTER 58

Delete the existing unit of quantity in respect of tariff Nos.5806.31.00; 5806.32.00; 5806.39.00; 5806.40.00, 5807.10.00; 5807.90.00; 5808.10.00 and 5808.90.00 and insert therefor the expression "Kg".

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|

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CHAPTER 59

Delete the existing unit of quantity in respect of Headings Nos. 59.01; 59.02; 59.06; 59.08; 59.09; 59.10 and 59.11 and insert therefor the expression "Kg".

CHAPTER 60

Delete the existing unit of quantity in respect of Headings No. 60.01; 60.02; 60.03; 60.04; 60.05 and 60.06 and insert therefor the expression "Kg".

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| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-----------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-----------------------------|

CHAPTER 62

Delete the existing unit of quantity in respect of tariff No. 6217.10.00 and insert therefor the expression "Number".

CHAPTER 63

Delete the existing unit of quantity in respect of Heading No. 63.01; 63.05 and 63.06; and insert therefor the expression "Number".

| Heading No. | H.S.Code | Tariff No. | Amendments to Text | Import Duty | S.I.T.C. | Unit of Quantity |
|-------------------|----------|------------|--|-------------|----------|------------------|
| CHAPTER 70 | | | | | | |
| | | | Delete all references to tariff numbers 7019.90.10 and 7019.90.30 and substitute therefor the following tariff numbers and their corresponding Descriptions, Import Duty, S.I.T.C and Unit of Quantity. | | | |
| 7019.90 | | 7019.90.10 | ---Glass fibre including glass wool. | 5% | 66495910 | Kg |
| | | 7019.90.30 | ---Circular fibre netting, glass fibre reinforcement for the manufacture of grinding and cutting wheels. | 5% | 66495930 | Kg. |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--|-----------------|-------------------|--|--------------------|-----------------|-------------------------|
| CHAPTER 72 | | | | | | |
| Delete all references to Tariff Nos. 7213.91.00 and 7213.99.00 and insert therefor the following Tariff numbers together with their corresponding descriptions, Import Duty, S.I.T.C. and Unit of Quantity. | | | | | | |
| 7213. | 7213.91 | 7213.91.00 | --- Of a circular cross section measuring less than 14mm in diameter | 3% | 676 111 00 | Kg |
| | | 7213.99.00 | --- Other. | 3% | 676 119 00 | Kg |

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|

CHAPTER 76

Delete the Tariff descriptions in respect to Heading 76.07 and insert therefor the following description "**Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness not exceeding 0.2 mm**".

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No. 15

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|
|--------------------|-----------------|-------------------|---------------------------|--------------------|-----------------|-------------------------|

CHAPTER 78

Delete all references to heading 7804, and insert therefor the following Heading and tariff numbers together with their corresponding descriptions, Import Duty, S.I.T.C and Unit of Quantity.

7804.

Lead plates, sheets, strips and foil; lead powder and flakes.

- Plates, sheets, strips and foil;

| <i>Heading No.</i> | <i>H.S. Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|------------------|-------------------|---|--------------------|-----------------|-------------------------|
| | 7804.11 | 7804.11.00 | --Sheets, strips and foil of a thickness (excluding any backing) not exceeding 0.2 mm. | 15% | 685 221 00 | Kg |
| | | 7804.19.00 | --Other plates, sheets strips and foil of lead | 15% | 685 222 00 | Kg |
| | | 7804.20.00 | --powders and flakes of lead | 15% | 685 229 00 | Kg |
| 7805. | 7805.00 | 7805.00.00 | -Lead tubes, pipes and tubes or pipe fitting (for example coupling, elbows and sleeves) | 15% | 685 240 00 | Kg |
| 7806 | 7806.00 | 7806.00.00 | -Other articles or lead | 15% | 699 760 00 | Kg |

CHAPTER 94

Delete all reference to
tariff number 9405.91.10

| <i>Heading No.</i> | <i>H.S.Code</i> | <i>Tariff No.</i> | <i>Amendments to Text</i> | <i>Import Duty</i> | <i>S.I.T.C.</i> | <i>Unit of Quantity</i> |
|--------------------|-----------------|-------------------|--|--------------------|-----------------|-------------------------|
| | | | and 9405.91.20 and insert therefor the following tariff numbers, together with their corresponding descriptions, Import Duty, S.I.T.C. and Unit of Quantity. | | | |
| | | 9405.91.10 | ---Glass chimneys for lamps and lanterns. | 5% | 813 171 00 | Kg |
| | | 9405.91.20 | ---Glass for lamps and lighting fittings. | 15% | 813 910 00 | Kg |

SECOND SCHEDULE

(Amendments of rates of duty only in the First Schedule to the Customs and Excise Act, Cap. 472.)

FIRST SCHEDULE

Delete the existing rates of duty in respect of the tariff numbers and descriptions listed in the first and second columns and inserting the rates of duty set out in the third column –

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|-----------------------------|
| 0802.90.11 | Macadamia nuts, in shell. | 15% |
| 0802.90.19 | Other macadamia nuts, shelled. | 15% |
| 0908.20.20 | Mace crushed or ground. | 5% |
| 1511.90.00 | Other palm oil and its fractions refined but not chemically modified. | 30% |
| 2009.19.10 | Orange juice of a brix value exceeding 50. | 15% |
| 2009.29.10 | Grape fruit juice of a brix value exceeding 50. | 15% |
| 2009.39.10 | Juice of any other single citrus fruit of a brix value exceeding 50. | 15% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|----------------------------------|
| 2009.49.10 | Pineapple fruit juice of a brix value exceeding 50. | 15% |
| 2009.69.10 | Grape juice and Grape must juice of a brix value exceeding 50. | 15% |
| 2009.79.10 | Apple juice of a brix value exceeding 50. | 15% |
| 2009.80.91 | Other juice of a brix value exceeding 50. | 15% |
| 2106.90.40 | Other food preparations of a kind used in the manufacture of alcoholic and non-alcoholic beverages. | 5% |
| 2106.90.90 | Other food preparations. | 25% |
| 3302.10.00 | Mixtures of odoriferous substances of a kind used in the food or drink industries. | 5% |
| 2105.00.00 | Ice cream and other edible ice, whether or not containing cocoa. | 35% |
| 2106.90.70 | Concentrated Juices n.e.s. or included. | 35% |
| 2206.00.11 | Beer not made from malt in containers holding 2 litres or less. | Per litre Shs.25.40 or 30% |
| 2206.00.19 | Other beer not made from malt in containers holding more than 2 litres. | Per litre 16.80 or 25% |
| 2526.20.00 | Crushed or powdered natural steatite and talc, whether or not roughly trimmed or merely cut, by sawing or otherwise, into | 5% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| | blocks or slabs of a rectangular (including square) shape. | |
| 2716.00.00 | Electrical energy. | Free |
| 2807.00.00 | Sulphuric acid; oleum. | 15% |
| 2808.00.00 | Nitric acid; sulphonitric acids. | Free |
| 2811.19.90 | Other inorganic acids. | 15% |
| 2824.90.00 | Other lead oxides. | 15% |
| 2825.90.90 | Other inorganic bases; other metal oxides, hydroxides and peroxides. | 15% |
| 2826.90.00 | Other fluorosilicates and fluorogluminates. | 15% |
| 2833.19.00 | Other sodium sulphates. | 15% |
| 2833.22.00 | Sulphates of aluminium. | 15% |
| 2836.99.00 | Other carbonates, peroxocarbonates (percarbonates). | 15% |
| 2840.30.00 | Peroxoborates (perborates). | Free |
| 2841.20.00 | Chromates of zinc or of lead. | Free |
| 2905.19.00 | Other saturated monohydric alcohols. | 15% |
| 2911.00.00 | Acetals and hemiacetals whether or not with oxygen function, and their halogenated, sulphonated, nitrated or ritrosated. | 15% |
| 2914.29.00 | Other cyclamic, cyclenic or cyclenic ketones without other | 15% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| | function. | |
| 2914.69.00 | Other quinones. | 15% |
| 2915.39.00 | Other esters of acetic acid | 15% |
| 2915.70.00 | Palmitic acid, stearic acid, their salts and esters. | 25% |
| 2915.90.00 | Other saturated acyclic mono carboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated and nitrosated derivatives. | 15% |
| 2921.19.00 | Other aromatic monoamines and their derivatives, salts thereof. | 15% |
| 3401.20.10 | Soap in other forms for toilet use (including medicated products). | 25% |
| 3402.11.00 | Anionic Surface-active preparations and cleaning preparations whether or not containing soap. | 15% |
| 3402.12.00 | Cationic organic surface active agents. | 15% |
| 3701.30.00 | Other photographic plates and film, in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles with any side exceeding 255 mm. | 15% |
| 3702.94.00 | Other photographic film in rolls, sensitized, unexposed of any | 15% |

| Tariff No. | Tariff Description | New Rate Of Duty |
|------------|--|---------------------|
| 3805.20.00 | material other than paper, paperboard or textile of a width exceeding 16mm but not exceeding 35mm and of a length not exceeding 30mm. Pine oil. | 5% |
| 3808.40.00 | Disinfectants put up in forms or packings for retail sale or preparations or articles. | Free |
| 3808.90.90 | Rodenticides and other similar products put up in form or packing for retail sale or as preparations or articles. | Free |
| 3919.90.11 | Other self-adhesive film, foil, tape and strips of plastic in rolls of a width exceeding 20 cm, unprinted. | 5% |
| 3919.90.19 | Other self adhesive, film, tape and strip of plastic in rolls of a width exceeding 20 cm, printed. | 25% |
| 3920.30.10 | Other plates, sheets, film, foil and strip, non-cellular and not reinforced, laminated, supported or similarly combined with other materials, of polymers of styrene, unprinted. | 5% |
| 3920.51.10 | Other plates, sheets, film, foil and strip of polymers of polymethyl methacrylate, unprinted. | 5% |
| 3920.59.10 | Other plates, sheets, film, foil and strip of acrylic polymers, | 5% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| | unprinted. | |
| 3920.61.10 | Other plates, sheets, film, foil and strip of polymers of polycarbonates, unprinted. | 5% |
| 3920.62.10 | Other plates, sheets, film, foil and strip of polymers of polyethylene terephthalate, unprinted. | 5% |
| 3920.63.10 | Other plates, sheets, film, foil and strip of polymers of unsaturated polyesters, unprinted. | 5% |
| 3920.69.10 | Other plates, sheets, film, foil and strip of polymers of other polyesters, unprinted. | 5% |
| 3920.71.10 | Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials of regenerated cellulose, unprinted. | 5% |
| 3920.72.10 | Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials of vulcanised fibre, unprinted. | 5% |
| 3920.91.10 | Other plates, sheets, film, foil and strip of polymers of polyvinyl butyral, unprinted. | 5% |
| 3920.92.10 | Other plates, sheets, film, foil and strip of polymers of polyamides, unprinted. | 5% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| 3921.11.10 | Other plates, sheets, film, foil and strip, cellular, of polymers of styrene, unprinted. | 5% |
| 3921.12.10 | Other plates, sheets, film, foil and strip, cellular, of polymers of vinyl chloride, unprinted. | 5% |
| 3921.13.10 | Other plates, sheets, film, foil and strip, cellular, of polyurethanes, unprinted. | 5% |
| 3921.14.10 | Other plates, sheets, film, foil and strip, of regenerated cellulose, unprinted. | 5% |
| 3921.19.10 | Other plates, sheets, film, foil and strip, cellular, of other plastics, unprinted. | 5% |
| 3923.50.90 | Other stoppers, lids, caps and closures | 25% |
| 3923.90.50 | Inserts. | 5% |
| 4016.99.10 | Flexible containers of 200 litres or more for storage or transport of liquid of vulcanized rubber other than hard rubber. | 5% |
| 4802.10.00 | Hand-made paper and paperboard. | Free |
| 4802.20.00 | Paper and paperboard of a kind used as a base for photo- sensitive, heat-sensitive or electro- sensitive paper or paperboard in rolls or sheets. | Free |
| 4802.30.00 | Carbonising base paper in rolls or sheets. | Free |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|-----------------------------|
| 4802.40.00 | Wallpaper base in rolls or sheets. | Free |
| 4802.54.00 | Other paper and paperboard not containing fibres obtained by a mechanical or chemi-mechanical process of which not more than 10% by weight of the total fibre content consists of such fibres weighing less than 40g/m ² . | Free |
| 4802.57.10 | Water marked security paper. | 15% |
| 4802.57.90 | Other paper and paper board weighing more than 150g/m ² . | 35% |
| 4805.40.00 | Filter paper and paperboard, in rolls or sheets, uncoated. | Free |
| 4806.10.10 | Vegetable parchment paper in rolls or sheets, unprinted. | Free |
| 4806.20.00 | Greaseproof papers, in rolls or sheets. | Free |
| 4806.30.00 | Tracing papers, in rolls or sheets. | Free |
| 4806.40.00 | Glassine and other glazed transparent or translucent papers, in rolls or sheets. | Free |
| 4809.20.00 | Self-copy paper in rolls of a width exceeding 36 cm or in rectangular (including square) sheets with at least one side exceeding 36 cm in unfolded state. | Free |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|-----------------------------|
| 4809.90.00 | Other copying or transfers papers (including coated or impregnated paper for duplicator stencils or offset plates), whether or not printed, in rolls of a width exceeding 36 cm or in rectangular (including square) sheets. | Free |
| 4810.31.00 | Kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes, bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process, and weighing 150 g/m ² or less. | Free |
| 4811.41.10 | Self-adhesive paper and paperboard, unprinted. | Free |
| 4811.49.10 | Other gummed paper and paperboard, unprinted. | Free |
| 4811.59.10 | Paper and paperboard, coated, impregnated or covered with plastics (excluding adhesives), for labelling dry cells and dry batteries. | Free |
| 4811.60.10 | Paper and paperboard, coated, impregnated or covered with wax, paraffin wax, stearin, oil or glycerol, unprinted. | Free |
| 4813.20.00 | Cigarette paper, in rolls of a width not exceeding 5 cm. | Free |
| 4821.10.10 | Paper or paperboard labels for labeling dry cell batteries. | Free |
| 5311.00.00 | Woven fabrics of other vegetable textile fibres of true hemp. | 25% |
| 5607.50.00 | Other twine, cordage, ropes and cables of other synthetic fibres. | 5% |

| Tariff No. | Tariff Description | New Rate Of Duty |
|------------|--|---------------------|
| 5902.20.00 | Tyre cord fabric of high tenacity yarn of polyesters. | Free |
| 7002.39.00 | Other tubes of glass. | 5% |
| 7005.29.00 | Other non-wired float glass and surface ground or polished glass. | 5% |
| 7011.90.00 | Other glass envelopes and glass parts thereof, without fittings. | 5% |
| 7012.00.00 | Glass inners for vacuum flask or for other vacuum vessels. | 5% |
| 7019.90.10 | Glass fibre including glass wool. | 5% |
| 7019.90.10 | Circular interwoven disc netting glass fibre reinforcement for the manufacture of grinding and cutting wheels. | 5% |
| 7208.25.00 | Other flat-rolled products of iron, or non-alloy steel, of a width of 600 mm or more, in coils, not further worked than hot-rolled, pickled, of a thickness of 4.75 mm or more. | 5% |
| 7208.26.00 | Other flat-rolled products of iron, or non-alloy steel, of a width of 600 mm or more, in coils, not further worked than hot-rolled, pickled, of a thickness of 3 mm or more but less than 4.75 mm. | 5% |
| 7213.91.00 | Wire rods of a circular cross-section measuring less than 14mm in diameter. | 5% |
| 7213.99.00 | Other bars and rods, hot rolled in irregular would coils of iron or non alloy steel of a circular cross section measuring more than 14mm in diameter. | 5% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| 7406.20.00 | Powders of lamellar structure and flakes of copper. | Free |
| 7408.11.00 | Copper wire of refined copper of which the maximum cross-sectional dimension exceeds 6 mm. | 5% |
| 7607.20.90 | Aluminium foil printed and backed with paper, paper board plastics or similar backing material of a thickness not exceeding 0.2mm. | 15% |
| 7614.10.00 | Stranded wire or cables, plaited bands and the like of aluminium, not electrically insulated with steel core. | 25% |
| 7614.90.00 | Other stranded wire or cables, plaited bands and the like of aluminium not electrically insulated. | 25% |
| 7804.11.00 | Sheets, strips and foil of a thickness (excluding any backing) not exceeding 0.2 mm. | 15% |
| 7804.19.00 | Other plates, sheets strips and foil of lead. | 15% |
| 7804.20.00 | Powders and flakes of lead | 15% |
| 7805.00.00 | Lead tubes, pipes and tubes or pipe fitting (for example coupling, elbows and sleeves). | 15% |
| 7806.00.00 | Other articles or lead | 15% |
| 8302.20.00 | Castors with mountings of base metal. | Free |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|-----------------------------|
| 8309.90.90 | Other packing accessories of base metal. | 5% |
| 8418.10.10 | Unassembled, combined refrigerator-freezer, fitted with separate external doors. | 5% |
| 8418.69.10 | Other refrigerating or freezing equipment; heat pumps, unassembled. | 5% |
| 8419.50.00 | Heat exchange units. | Free |
| 8432.90.90 | Other parts of agricultural or horticultural or forestry machinery. | 5% |
| 8448.20.00 | Parts and accessories of machines of heading No. 84.44 or of their auxiliary machinery. | 5% |
| 8450.11.10 | Household or laundry type washing machines, including machines which both wash and dry, each of a dry linen capacity not exceeding 10 kg. Fully automatic, unassembled. | 5% |
| 8450.12.10 | Household or laundry type washing machines, including machines which both wash and dry, each of a dry linen capacity not exceeding 10 kg. With built-in centrifugal drier, unassembled. | 5% |
| 8450.19.10 | Other household or laundry type washing machines, including machines which both wash and dry, each of a dry linen capacity not exceeding 10 kg., unassembled. | 5% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|---|-----------------------------|
| 8450.20.10 | Unassembled household or laundry type washing machines, each of a dry linen capacity exceeding 10 kg. | 5% |
| 8451.90.00 | Parts of Machinery (other than machines of heading No.84.50) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics of made up textile, articles and machines for applying the paste to the base fabric or other support used in the manufacture of flour covering such as linoteum, machines for reeling, unreeling, folding, cutting or pinking textile fabrics. | 5% |
| 8452.30.00 | Sewing machine needles. | 5% |
| 8452.90.00 | Other parts of sewing machines. | 5% |
| 8466.93.00 | Other parts and accessories suitable for use solely or principally with machine-tools and machines of headings Nos. 84.56 to 84.61. | 5% |
| 8467.11.00 | Pneumatic tools for working in the hand, rotary type (including combined rotary-percussion). | 5% |
| 8467.19.00 | Other pneumatic tools for working in the hand. | 5% |
| 8467.21.00 | Drills of all kinds. | Free |
| 8467.22.00 | Saws. | Free |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Rate Of Duty</i> |
|-------------------|--|-----------------------------|
| 8467.29.00 | Other tools for working in the hand, with self- contained electric or non-electric motor. | 5% |
| 8467.81.00 | Chain saws for working in the hand with self- contained electric or non electric motor. | 5% |
| 8467.89.00 | Other tools for working in the hand. | 5% |
| 8468.10.00 | Hand-held blow pipes. | 5% |
| 8468.20.00 | Other gas-operated machinery and apparatus. | 5% |
| 8468.80.00 | Other machinery and apparatus for soldering, brazing or welding. | Free |
| 8471.10.00 | Analogue or hybrid automatic data processing machines. | Free |
| 8471.30.00 | Portable digital automatic data processing machines, weighing not more than 10 Kg. consisting of at least a central processing unit, a keyboard and a display. | Free |
| 8471.41.00 | Other digital automatic data processing machines comprising in the same housing at least a central processing unit, and an input and output unit. | Free |
| 8471.49.00 | Other digital automatic data processing machines, presented in the form of systems. | Free |

| Tariff No. | Tariff Description | New Rate Of Duty |
|------------|--|---------------------|
| 8471.50.00 | Digital processing units other than those of subheadings 8471.41 and 8471.49, whether or not containing in the same housing one or two of the following types: storage units, input units, output units. Input or output units, whether or not containing storage units in the same housing. | Free |
| 8471.60.00 | Storage units. | Free |
| 8471.70.00 | Other units of automatic data processing machines. | Free |
| 8471.80.00 | Other automatic data processing machines and units thereof; | Free |
| 8471.90.00 | magnetic or optical reactors, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included. | Free |
| 8504.10.00 | Ballasts for discharge lamps or tubes. | 5% |
| 8504.40.00 | Static converters. | 5% |
| 8531.10.00 | Burglar or fire alarms and similar apparatus | Free |
| 8541.10.00 | Diodes, other than photosensitive or light emitting diodes. | Free |
| 8544.49.90 | Other electric conductors for a voltage not exceeding 80V. | 25% |
| 8544.59.90 | Other electric conductors, for a voltage exceeding 80V but not exceeding 1,000V. | 25% |
| 8546.90.00 | Other electrical insulators. | 15% |

| Tariff No. | Tariff Description | New Rate Of Duty |
|------------|--|---------------------|
| 9032.89.00 | Other automatic regulating or controlling instruments and apparatus. | 15% |
| 9405.91.10 | Glass chimneys for lamps and lanterns | 5% |
| 9405.91.20 | Glass for lamps and lighting fittings. | 15% |
| 9911.10.00 | Casino and gambling services. | Free |

THIRD SCHEDULE

(s.13)

(Amendments to the Fourth Schedule of the Customs and Excise Act, Cap.472).

FOURTH SCHEDULE

1. Delete all references to the following Tariff Numbers—

0801.31.00; 0801.32.00; 0802.90.10 and 4106.21.00

2. Delete the existing rates of duty in respect of the Tariff numbers shown in the first column and insert the rates of duty shown in the third column.

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Duty Rate</i> |
|-------------------|--|----------------------|
| 4101.20.00 | Whole hides and skins, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when dry-salted, or 16 kg when fresh, wet-salted or otherwise preserved. | 15% |
| 4101.40.00 | Hides and skins of equine animals. | 15% |
| 4101.50.00 | Whole hides and skins, of a weight exceeding 16 kg. | 15% |
| 4101.90.00 | Other raw hides, including butts, bends and bellies. | 15% |
| 4102.10.00 | Raw skins of sheep or lamb (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), with wool on, whether or not split, other than those excluded by Note 1 (c) to Chapter 41. | 15% |
| 4102.21.00 | Raw skins of sheep or lambs (pickled, but not tanned, parchment-dressed or further prepared), without wool on whether or not split, other than those excluded by Note 1 (c) | 15% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>New Duty Rate</i> |
|-------------------|--|----------------------|
| | to Chapter 41. | |
| 4102.29.00 | Other raw skins of sheep or lamb (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), with wool on, whether or not split, other than those excluded by Note 1 (c) to Chapter 41. | 15% |
| 4103.10.00 | Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not debarred or split, other than those excluded by Note 1 (b) or 1 (c) to Chapter 41, of goats or kids. | 15% |
| 4103.20.00 | Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not debarred or split, other than those excluded by Note 1 (b) or 1 (c) to Chapter 41, of reptiles. | 15% |
| 4103.30.00 | Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not debarred or split, other than those excluded by Note 1 (b) or 1 (c) to Chapter 41, of swine. | 15% |
| 4103.90.00 | Other raw hides and skins other than of reptiles, swine, goats or kids. | 15% |

FOURTH SCHEDULE

(s.14)

(Amendment to the Fifth Schedule of the Customs and Excise Act, Cap.472).

FIFTH SCHEDULE**PART I**

(1) Delete all references to the following Tariff Numbers:

| | |
|------------|------------|
| 2106.90.70 | 8703.23.31 |
| 2207.20.00 | 8703.23.41 |
| 2402.20.10 | 8703.23.51 |
| 2402.20.90 | 8703.24.10 |
| 2402.90.10 | 8703.31.11 |
| 2402.90.20 | 8703.31.21 |
| 2402.90.90 | 8703.32.11 |
| 8702.10.11 | 8703.32.21 |
| 8702.90.11 | 8703.32.31 |
| 8703.21.10 | 8703.32.41 |
| 8703.22.10 | 8703.33.11 |
| 8703.23.11 | 8703.33.21 |
| 8703.23.21 | |

(2) Delete the existing rates of duty in respect of the tariff numbers specified in the first column and insert therefor the rates of duty specified in the third column.

| Tariff No. | Tariff Description | Rate of Duty |
|-------------------|--|---------------------|
| 2009.11.00 | Frozen orange juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter. | 10% |
| 2009.12.00 | Orange juice Not frozen, unfermented and not containing added spirit whether or not | 10% |

No. 15

| Tariff No. | Tariff Description | Rate of Duty |
|------------|---|--------------|
| | containing added sugar or other sweetening matter, of a brix value not exceeding 20. | |
| 2009.19.00 | Other orange juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter. | 10% |
| 2009.19.90 | Other orange juice | 10% |
| 2009.21.00 | Grapefruit juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter, of a brix value not exceeding 20. | 10% |
| 2009.29.00 | Other Grapefruit juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter. | 10% |
| 2009.29.90 | Other grape fruit juice. | 10% |
| 2009.31.00 | Juice of any other single citrus fruit, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter, of a brix value not exceeding 20. | 10% |
| 2009.39.00 | Other juice of any other single citrus fruit, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter. | 10% |
| 2009.39.90 | Other juice of any other single citrus fruit | 10% |
| 2009.41.00 | Pineapple juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter, of a brix value not exceeding 20. | 10% |
| 2009.49.00 | Other pineapple juice, unfermented and not containing added spirit whether or not containing added sugar or other sweetening matter. | 10% |

| 2003 | Tariff No. | Tariff Description | Rate of Duty |
|------|------------|--|--------------|
| | 2009.49.90 | Other pineapple juice. | 10% |
| | 2009.50.00 | Tomato juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | 10% |
| | 2009.61.00 | Grape juice (including grape must), unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a brix value not exceeding 20. | 10% |
| | 2009.69.00 | Other grape juice (including grape must), unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | 10% |
| | 2009.69.90 | Other grape juice (including grape must) | 10% |
| | 2009.71.00 | Apple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter, of a brix value not exceeding 20. | 10% |
| | 2009.79.00 | Other apple juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | 10% |
| | 2009.79.90 | Other apple juice | 10% |
| | 2009.80.10 | Passion fruit juice, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | 10% |
| | 2009.80.90 | Juice of any other single fruit or vegetable, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | 10% |
| | 2009.80.99 | Other juice | 10% |
| | 2009.90.00 | Mixtures of juices, unfermented and not containing added spirit, whether or not | 10% |

No. 15

| Tariff No. | Tariff Description containing added sugar or other sweetening matter. | Rate of Duty |
|------------|---|-----------------------------------|
| 2106.90.70 | Concentrate juices n.e.s. or included. | 10% |
| 2202.90.00 | Other non-alcoholic beverages. | 10% |
| 2203.00.10 | Stout and porter. | Shs.49 per litre |
| 2203.00.20 | Beer of a specific gravity not exceeding 1.060 degrees. | Shs.38 per litre |
| 2203.00.90 | Other beer made from malt. | Shs.38 per litre |
| 2206.00.11 | Beer not made from malt in containers of 2 litres or less. | Shs.24 per litre |
| 2206.00.19 | Other beer not made from malt in containers of more than 2 litres. | Shs.24 per litre |
| 2206.00.30 | Other fermented beverages (e.g. Chibuku). | Shs. 49 per litre |
| 2206.00.90 | Other fermented beverages, mixtures of fermented beverages and non- alcoholic beverages not elsewhere specified or included. | Shs. 49 per litre |
| 2710.19.34 | Residual fuel oils (marine, furnace and similar fuel oils of a kinematics viscosity of 125 centistokes. | Per 1000L @20 deg.c Shs.300 |
| 2710.19.35 | Residual fuel oils (marine, furnace and similar fuel oils) of a kinematics viscosity of 180 centistokes. | Per 1000L @20 deg.c Shs.300 |
| 2710.19.36 | Residual fuel oils (marine, furnace and similar fuel oils) of a kinematics viscosity of 280 centistokes. | Per 1000L @20 deg.c Shs.300 |
| 2710.19.37 | Other residual fuel oils. | Per 1000L @20 deg.c Shs.300 |
| 9910.10.00 | Mobile cellular phone services. | 10% |

PART II

Insert the tariff numbers specified in the first column and the rates of duty specified in the Third Column.

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>Rate of Duty</i> |
|-------------------|--|---------------------|
| 7101.10.00 | Natural pearls. | 10% |
| 7101.21.00 | Cultured pearls, unworked. | 10% |
| 7101.22.00 | Cultured pearls, worked. | 10% |
| 7102.10.00 | Unsorted diamonds, whether or not worked but not mounted or set. | 10% |
| 7102.31.00 | Non-industrial diamonds, unworked or simply sawn, cleaved or bruted, but not mounted or set. | 10% |
| 7102.39.00 | Other non-industrial diamonds worked, not mounted or set. | 10% |
| 7103.10.00 | Precious stones and semi-precious stones, unworked or simply sawn or roughly shaped. | 10% |
| 7103.91.00 | Rubies, sapphires and emeralds, otherwise worked. | 10% |
| 7103.99.00 | Other precious or semi-precious stones other than diamonds, otherwise worked. | 10% |
| 7104.10.00 | Piezo-electric quartz being synthetic or reconstructed precious or semi precious stones. | 10% |
| 7104.20.00 | Other unworked or simply sawn or roughly shaped synthetic or semi-precious stones. | 10% |
| 7104.90.00 | Other synthetic or reconstructed precious or semi- precious stones, worked. | 10% |
| 7106.91.00 | Unwrought silver including silver plated with gold or platinum. | 10% |
| 7106.92.00 | Semi-manufactured silver including silver plated with gold or platinum. | 10% |
| 7107.00.00 | Base metals clad with silver, not further worked than semi-manufactured. | 10% |
| 7108.11.00 | Non-monetary gold (including gold plated | 10% |

No. 15

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>Rate of Duty</i> |
|-------------------|---|---------------------|
| | with platinum), in powder form. | |
| 7108.12.00 | Other unwrought forms of gold, including gold plated with platinum, non-monetary. | 10% |
| 7108.13.00 | Other semi-manufactured forms of gold, (including gold plated with platinum). | 10% |
| 7109.00.00 | Base metals, gold or silver, clad with gold, not further worked than semi-manufactured. | 10% |
| 7111.00.00 | Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured. | 10% |
| 7112.30.00 | Ash containing precious metal or precious metal compounds. | 10% |
| 7113.11.00 | Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal. | 10% |
| 7113.19.00 | Articles of jewellery and parts thereof, of other precious metal, whether or not plated or clad with other precious metal. | 10% |
| 7113.20.00 | Articles of jewellery and parts thereof, of base metal, clad with precious metal. | 10% |
| 7114.11.00 | Articles of goldsmiths' or silversmiths' wares and parts thereof, of silver, whether or not plated or clad with other precious metal. | 10% |
| 7114.19.00 | Articles of goldsmiths' or silversmiths' wares and parts thereof, of other precious metal, whether or not plated or clad with other precious metal. | 10% |
| 7114.20.00 | Articles of goldsmiths' or silversmiths' wares and parts thereof, of base metal clad with other precious metal. | 10% |
| 7115.90.00 | Other articles of precious metal or of metal clad with other precious metal. | 10% |
| 7116.10.00 | Articles of natural or cultured pearls. | 10% |
| 7116.20.00 | Articles of precious or semi-precious | 10% |

| <i>Tariff No.</i> | <i>Tariff Description</i> | <i>Rate of Duty</i> |
|-------------------|---|---------------------|
| 7117.11.00 | stones (natural, synthetic or reconstructed). Cuff-links and studs, of base metal, whether or not plated with precious metal. | 10% |
| 7117.19.00 | Other imitation jewellery of base metal, whether or not plated with precious metal. | 10% |
| 7117.90.00 | Other imitation jewellery. | 10% |
| 7118.10.00 | Coin (other than gold coin), not being legal tender. | 10% |

PART III

(i) Insert the expression "PART I" immediately below the heading "FIFTH SCHEDULE".

(2) Insert the following new "PART II" at the end of the existing Schedule.

PART II

1. For the purposes of this schedule, "Retail selling price" means the average price at which excisable goods are sold to consumers in an open market transaction where the seller and buyer are independent of each other.

2. Cigarettes shall be grouped into four categories for the purposes of this schedule and the corresponding rate of duty will be as shown here under.

| Category | Retail selling price per mille | Excise Rate per mille |
|-----------------|---|----------------------------------|
| A | Upto shs.1500 | Shs.450 |
| B | Shs 1501 to shs.2500 | Shs.650 |
| C | Shs.2501 to shs.3500 | Shs.900 |
| D | More than shs.3500 | Shs.1,400 |

3. The Commissioner may from time to time through a notice in the gazette adjust the retail-selling price for each category of cigarettes for the purposes of this schedule.

4. For the purpose of adjusting the retail-selling price, the Commissioner may require manufacturers and importers to submit any information relating to manufacturing and pricing of excisable goods.

PART IV

(1) Delete all references to the following tariff Numbers -

2206.90.70

2207.20.00

(2) Insert in the proper numerical sequence, the following tariff numbers, descriptions and rates of duty:

| Tariff No. | Tariff Description | New rate of Excise Duty |
|------------|---|-------------------------|
| 2009.19.90 | Other orange juice. | 10% |
| 2009.29.90 | Other grape fruit juice. | 10% |
| 2009.39.90 | Other juice of any other single citrus fruit. | 10% |
| 2009.49.90 | Other pineapples juice. | 10% |
| 2009.69.90 | Other grape juice (including grape must). | 10% |
| 2009.79.90 | Other apple juice. | 10% |

| Tariff No. | Tariff Description | New rate of Excise Duty |
|-------------------|---|------------------------------------|
| 2202.90.00 | Other non-alcoholic beverages. | 10% |
| 2206.00.30 | Other fermented beverages (e.g. Chibuku). | Shs.49 per litre |
| 2206.00.90 | Other fermented beverages mixtures of fer-mented beverages and non-alcoholic beverages not elsewhere specified or included. | Shs.49 per Litre. |

FIFTH SCHEDULE

(s.21)

(Replacement of the First Schedule to the Value Added Tax Act, Cap. 476).

Delete the First Schedule and insert the following –

FIRST SCHEDULE

(S. 6 (2))

RATES OF TAX

PART I

Subject to Part II of this Schedule and Part B of the Fifth Schedule, the rate of tax referred to in section 6 shall be 16% **per cent** of the taxable value.

PART II

The taxable services listed below shall be charged tax at the rate of 14% **per cent** of the taxable value.

Description of service

1. Restaurant services, including bar and beverage services, supplied by a restaurant owner or operator.
2. Accommodation and all other services provided by a hotel owner or operator including telecommunications, entertainment, laundry, dry cleaning, storage, safety deposits, conference and business services.

SIXTH SCHEDULE

(s. 22)

(Amendment of the Second Schedule to the Value Added Tax Act, Cap. 476).

SECOND SCHEDULE

EXEMPT GOODS

PART I

- (1) Delete the following tariff numbers and the description thereof—

| <i>Tariff No.</i> | <i>Tariff Description</i> |
|-------------------|--|
| 0802.90.10 | Macadamia nuts, fresh or dried, whether or not shelled or peeled. |
| 0901.11.10 | Arabica coffee, in beans or seeds, stripped of their skins not roasted or decaffeinated. |
| 0901.11.20 | Robusta coffee, in beans or seeds, stripped of their skins, not roasted or decaffeinated. |
| 0901.11.30 | Arabica coffee, in beans or seeds, complete with their skins (parchment) not roasted or decaffeinated. |
| 0901.11.40 | Robusta coffee, in beans or seeds, complete with their skins (parchment) not roasted or decaffeinated. |
| 0901.11.50 | Arabica coffee in berries, not roasted or decaffeinated. |
| 0901.11.60 | Robusta coffee in berries, not roasted or decaffeinated. |
| 0901.11.90 | Others Coffee, not roasted or decaffeinated. |
| 0901.11.70 | Triage, not roasted or decaffeinate. |
| 4402.00.00 | Charcoal made from coffee husks and waste, agglomerated. |
| 4902.90.00 | Other newspapers, journals and periodicals appearing at least four times a week. |
| 9920.10.00 | Buildings. |
| 9920.90.00 | Others. |

No. 15

Finance

- (2) Insert in its numerical order the following tariff number and the description thereof—

| <i>Tariff No.</i> | <i>Tariff Description</i> |
|-------------------|--|
| 0802.90.11 | Macadamia nut in shell. |
| 0802.90.19 | Other macadamia nuts. |
| 4402.00.00 | Wood charcoal (including shell or nut charcoal), whether or not agglomerated. |
| 4902.90.00 | Other newspapers, journals and periodicals whether or not illustrated or containing advertising materials. |

PART II

Delete item 1 and substitute thereto the following new item—

- (i) Taxable goods sold by registered persons where input tax included in the price of such goods was not allowed.

SEVENTH SCHEDULE

(s.24(b))

(Amendment of the Fifth Schedule to the Value Added Tax Act, Cap. 476)

FIFTH SCHEDULE**ZERO-RATING**

(s.2 (1))

PART B – ZERO RATED GOODS

(1) Delete the following tariff numbers and the descriptions thereof:

| <i>Tariff No.</i> | <i>Tariff Description</i> |
|-------------------|--|
| 1702.40.00 | Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by weight of fructose, excluding invert sugar. |
| 4902.10.00 | Newspapers, journals and periodicals appearing at least four times a week. |
| 8524.99.10 | Computer discs for recorded media for sound or other similarly recorded phenomena including matrices and masters. |
| 8524.99.90 | Other discs and recorded media for sound or other similarly recorded phenomena including matrices and masters. |
| 9006.40.00 | Instant print cameras. |

(2) Insert in their numerical order the following tariff numbers and the descriptions thereof—

| <i>Tariff No.</i> | <i>Tariff Description</i> |
|-------------------|---|
| 0901.11.10 | Arabica coffee, in beans or seeds, stripped of their skins, not roasted or decaffeinated. |
| 0901.11.20 | Robusta coffee, in beans or seeds, stripped of their skins, not roasted or decaffeinated. |

SEVENTH SCHEDULE (Contd.)

| <i>Tariff No.</i> | <i>Tariff Description</i> |
|-------------------|---|
| 0901.11.30 | Arabica coffee, in beans or seeds, stripped of their skins (parchment) not roasted or decaffeinated. |
| 0901.11.40 | Robusta coffee, in beans or seeds, stripped of their skins (parchment) not roasted or decaffeinated. |
| 0901.11.50 | Arabica coffee in berries, not roasted or decaffeinated. |
| 0901.11.60 | Robusta coffee in berries, not roasted or decaffeinated. |
| 0901.11.70 | Triage, not roasted or decaffeinated |
| 1901.11.90 | Other Coffee, not roasted or decaffeinated. |
| 1702.40.10 | Glucose and dextrose including syrup containing in the dry state at least 20% by weight but less than 50% by weight of fructose excluding invert sugar. |
| 1702.40.20 | Dextrose monohydrate (Medicinal Glucose). |
| 1702.40.90 | Other glucose and dextrose including syrup containing in the dry state at least 20% by weight but less than 50% by weight of fructose excluding invert sugar. |
| 2801.10.00 | Chlorine. |
| 2818.30.00 | Aluminium hydroxide |
| 2828.10.00 | Commercial calcium hypochlorite, and other calcium hypochlorites. |
| 2833.22.00 | Sulphates of aluminium |
| 4902.10.00 | Newspapers, journals and periodicals whether or not illustrated or containing advertising materials, appearing at least four times a week. |
| 8524.99.10 | Other recorded media for reproducing sound or other similarly recorded phenomena containing software. |
| 9609.90.10 | Writing or drawing chalk. |