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**THE NATIONAL ASSEMBLY**

**THIRTEENTH PARLIAMENT – FOURTH SESSION – 2025**

**DIRECTORATE OF DEPARTMENTAL COMMITTEES**


**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL  
PLANNING**

**REPORT ON:  
THE CONSIDERATION OF THE EXCISE DUTY (AMENDMENT) BILL,  
2025 (NATIONAL ASSEMBLY BILL NO. 7 OF 2025)**

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<b>CLERK-AT THE-TABLE:</b>	<i>P. Muigai (PM)</i>

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

COK	-	Constitution of Kenya
EAC	-	East African Community
CET	-	Common External Tariff
IPF	-	Institute of Public Finance
KPLC	-	Kenya Power & Lighting Co. PLC.
MP	-	Member of Parliament
ODM	-	Orange Democratic Movement
UDA	-	United Democratic Alliance
ICPAK	-	Institute of Chartered Public Accountants of Kenya
EPRA	-	Energy and Petroleum Regulatory Authority

## **ANNEXURES**

Annexure 1: Adoption Schedule

Annexure 2: Minutes

Annexure 3: The Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025)

Annexure 4: Advertisement inviting the public to submit memoranda on the Bill

Annexure 5: Letter from the Clerk of the National Assembly inviting relevant stakeholders to attend the public participation forum

Annexure 6: Memoranda by Stakeholders

## **CHAIRPERSON'S FOREWORD**

This report contains the proceedings of the Departmental Committee on Finance and National Planning on its consideration of the Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025). The Bill was published in the Kenya Gazette Supplement No. 32 of 6<sup>th</sup> March, 2025 and read a first time on 16<sup>th</sup> March, 2025. The Bill was committed to the Committee for consideration and tabling of the report to the House pursuant to Standing Order 127.

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the then Tax Laws (Amendment) Bill, 2024 to support local assemblers. However, the amendment has negatively affected the manufacture and supply of transformers by increasing the cost of importing parts since most parts are imported.

In compliance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly placed an advertisement in the print media on 20<sup>th</sup> March, 2025 inviting the public to submit memoranda by way of written statements on the Bill.

In addition, the Clerk of the National Assembly vide letter Ref. No.NA/DDC/F&NP/2025/024 dated 28<sup>th</sup> March 2025 invited key stakeholders to submit views on the Bill and attend a public participation forum on 3<sup>rd</sup> April 2025. The memoranda were to be received on or before 2<sup>nd</sup> April, 2025 at 5.00 pm (East African Time). By the close of the submission deadline, the Committee had received six memoranda.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its consideration of the Bill. Similarly, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made invaluable contributions towards the preparation and production of this report.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to the provisions of Standing Order 199(6), it is my pleasure to report that the Committee has considered the Excise Duty (Amendment) Bill, 2025 (National Assembly Bill No. 7 of 2025) and wish to report to this August House with the recommendation that the House Approves the Bill.

**Hon. CPA. Kuria Kimani, CBS, M.P.**

**Chairperson, Departmental Committee on Finance and National Planning**

## CHAPTER ONE

### I PREFACE

#### I.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. The Departmental Committee on Finance and National Planning is one of twenty departmental committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows:
  - a) *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
  - b) *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
  - c) *To, on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
  - d) *To study and review all legislation referred to it;*
  - e) *To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
  - f) *To investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary, and as may be referred to them by the House;*
  - g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
  - h) *To examine treaties, agreements and conventions;*
    - i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
    - j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
    - k) *To examine any questions raised by Members on a matter within its mandate.*
2. The Second Schedule to the National Assembly Standing Orders assigns the Committee the mandate to consider matters in relation to public finance, public audit policies, monetary policies, financial institutions, economy, investment policies, competition, banking, insurance, national statistics, population, revenue policies including taxation, national planning and development, digital finance, including digital currency.
3. In executing its mandate, the Committee oversees the following Ministries/Departments:
  - a) The National Treasury.
  - b) State Department for Economic Planning.
  - c) The Commission on Revenue Allocation (CRA)
  - d) Office of the Controller of Budget

## **I.2 COMMITTEE MEMBERSHIP**

I. The Departmental Committee on Finance and National Planning was constituted by the House on 27th October 2022 and comprises of the following Members:

### **Chairperson**

Hon. CPA Kuria Kimani, CBS, MP  
Molo Constituency  
**UDA Party**

### **Vice-Chairperson**

Hon. (Amb.) CPA Langat Benjamin Kipkirui, CBS, MP  
Ainamoi Constituency  
**UDA Party**

### **Members**

Hon. Peter Kaluma, CBS, MP  
Homa Bay Town Constituency  
**ODM Party**

Hon. CPA Oyula, Joseph H. Maero, MP  
Butula Constituency  
**ODM Party**

Hon. Mboni, David Mwalika, MP  
Kitui Rural Constituency  
**WDM Party**

Hon. Okuome Adipo Andrew, MP  
Karachuonyo Constituency  
**ODM Party**

Hon. Hon. Chiforomodo, Munga, MP  
Lunga Lunga Constituency  
**UDM Party**

Hon. CPA Rutto Julius Kipletting, MP  
Kesses Constituency  
**UDA Party**

Hon. Paul Biego, MP  
Chesumei Constituency  
**UDA Party**

Hon. Sunkuyia, R. George, MP  
Kajiado West Constituency  
**UDA Party**

Hon. Betty N. Maina, MP  
Murang'a County  
**UDA Party**

Hon. Sheikh Umul Sheikh, MP  
Mandera County  
**UDM Party**

Hon. (Dr.) Shadrack Mwiti, MP  
South Imenti Constituency  
**Jubilee Party**

Hon. (Dr.) Ariko John Namoit, MP  
Turkana South Constituency  
**ODM Party**

Hon. Machele M. Soud, MP  
Mvita Constituency  
**ODM Party**

### **I.3 COMMITTEE SECRETARIAT**

4. The Committee is facilitated by the following staff:

Mr. Benjamin Magut  
**Principal Clerk Assistant II /Head of Secretariat**

Ms. Jennifer Ndeto  
**Deputy Director Legal Services**

Mr. Benson Kamande  
**Clerk Assistant III**

Mr. Salem Lorot  
**Senior Legal Counsel**

Ms. Winfred Kambua  
**Clerk Assistant III**

Mr. George Ndenjeshe  
**Fiscal Analyst II**

Mr. James Macharia  
**Media Relations Office**

Mr. Andrew Jumanne Shangarai  
**Principal Serjeant-At-Arms**

Ms. Joyce Wachera  
**Hansard Reporter II**

Mr. Benson Muthuri  
**Assistant Serjeant-At-Arms**

Ms. Nelly W. Ondieki  
**Research Officer III**

Mr. Mwangi Muchiri  
**Audio Officer III**

Mr. Allan Ngugi  
**Committee Intern**

## CHAPTER TWO

### 2.0 OVERVIEW OF THE EXCISE DUTY (AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025)

#### 2.1 Background

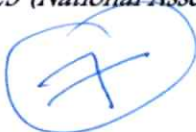
5. The Excise Duty (Amendment) Bill, 2025 (National Assembly Bill No. 7 of 2025) is a Bill sponsored by the Leader of Majority Party, Hon. Kimani Ichung'wah, EGH, MP. The Bill was published on 6<sup>th</sup> March, 2025 vide Kenya Gazette Supplement No. 32 of 2025. The Bill was then committed to the Committee for consideration and tabling of the report to the House pursuant to Standing Order 127.

#### 2.2 Summary of Legal Provisions

6. The principal object of this Bill is to amend the Excise Duty Act, Cap. 472, to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in Tax Laws (Amendment) Act, 2024 with the intention to support local assemblers of electric transformers. However, the amendment had negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.
7. This amendment is intended to reduce the cost of electricity and enhance power connectivity through additional manufacture and supply of transformers to the Kenya Power and Lighting Company.
8. Clause 2 of the Bill seeks to amend the First Schedule to the Excise Duty in Part I by deleting the following item and the corresponding rate of excise duty—

<i>Description</i>	<i>Rate of Excise Duty</i>
Imported Fully Assembled Electric transformers and parts of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00	25%

9. The amendment is to apply retrospectively to 27<sup>th</sup> December, 2024, when the Tax Laws (Amendment) Act, 2024 came into effect. This is provided for in clause 1 of the Bill.
10. The tariff heading 85.04 is for electrical transformers, static converters (for example, rectifiers) and inductors in accordance with the Common External Tariff for the East African Community Customs Union. The following tariff numbers mentioned in the amendment represent the following items:



<b>H.S. Code/Tariff No.</b>	<b>Description</b>
8504.10.00	<ul style="list-style-type: none"> <li>• Ballasts for discharge lamps or tubes</li> <li>• Liquid dielectric transformers</li> </ul>
8504.21.00	Having a power handling capacity not exceeding 650 kVA
8504.22.00	Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA
8504.23.00	<ul style="list-style-type: none"> <li>• Having a power handling capacity exceeding 10,000 kVA</li> <li>• Other transformers</li> </ul>
8504.31.00	Having a power handling capacity not exceeding 1 kVA
8504.32.00	Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA
8504.34.00	Having a power handling capacity exceeding 500 kVA

## CHAPTER THREE

### 3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL

#### 3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION

11. Article 118 (1)(b) of the Constitution provides that:

*“Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees.”*

12. The National Assembly Standing Order 127 (3) and (3A) stipulates that:

*“(3) The Departmental Committee to which a Bill is committed shall **facilitate public participation on the Bill** through an appropriate mechanism including-*

- (a) inviting submission of memoranda;*
- (b) holding public hearings;*
- (c) consulting relevant stakeholders in a sector; and*
- (d) consulting experts on technical subjects.*

*(3A) The Departmental Committee shall take into account the views and recommendations of the public under paragraph (3) in its report to the House.”*

#### 3.2 MEMORANDA RECEIVED ON THE BILL

13. Pursuant to the aforementioned provisions of law, the Clerk of the National Assembly placed an advertisement in the print media on 20th March, 2025 inviting the public to submit memoranda on the Bill. Further, the Clerk of the National Assembly vide letter Ref. No.NA/DDC/F&NP/2025/024 dated 28<sup>th</sup> March 2025 invited key stakeholders to submit views on the Bill and attend a public participation forum on 3<sup>rd</sup> April 2025 respectively.

14. The Committee received six memoranda from the following stakeholders: Kenya Power & Lighting Company PLC (KPLC), Westminster Consulting, Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Public Finance (IPF), Pan African Transformers & Switchgears Ltd, and Yocean Group Ltd.

### GENERAL SUBMISSIONS

#### 3.2.1 Kenya Power and Lighting Company (KPLC)

KPLC appeared before the Committee and submitted as follows:

15. KPLC supported the Bill since it seeks to address the challenges occasioned by the 25% excise duty imposition on imported fully assembled electric transformers and parts.

16. KPLC is the sole electricity distributor in Kenya, and it currently serves nearly 10 million households and enterprises. The company's mandate includes connecting customers to electricity and providing stable and reliable power.
17. KPLC incurs huge capital expenditures on transmission and distribution transformers for expansion to connect new customers and maintenance to replace faulty and worn-out transformers.
18. The Tax Laws Amendment Act 2024 introduced Excise Duty on imported fully assembled electric transformers and parts at the rate of 25%. This was meant to protect and promote local transformer manufacturing. However, It was noted that the firms indicated as local manufacturers were actually assemblers, not manufacturers. Therefore, the amendment did not achieve the intended objective, given that the importation of parts was also subject to the 25% excise duty. Further, this would result in an increase in the prices of transformers across the board.
19. The increase in excise duty in the Tax Laws (Amendment) Act, 2024 has the following implications.
  - (a) *The cost of connection to electricity*
  20. Electricity transformers are critical equipment in the supply and reticulation of electricity. Every customer connected to the grid is linked to a transformer that delivers quality and reliable power at the required voltage and frequency level. When customers apply to be connected to electricity, they are either connected to an existing transformer or are required to pay for a new transformer as part of the connection cost. The introduction of 25% Excise duty on transformers will directly increase the cost of connecting customers.
  - (b) *Increase in electricity tariffs*
  21. The Electricity & Petroleum Regulatory Authority (EPRA) determines the consumer's electricity price. It comprises the cost of generation, transmission and distribution, including electricity grid maintenance. Transformers are a vital component of the electricity grid, which require replacement over time due to wear and tear, faults and vandalism. Thus, introducing 25% excise duty on transformers will increase their replacement cost, thereby increasing the repairs and maintenance component in the tariff.
  - (c) *Reduction in the number of transformers available for use*
  22. The company procures an average of 4000 transformers every year. These are meant for the replacement of old and faulty units and the connection of new customers. There are over 82,000 transformers and an average annual replacement rate of 4%. Every year, 3200 transformers require replacement and a further 1,000 are needed for network expansion and new customer connections.

23. Considering the budget constraints and cashflow implications, increasing the cost of transformers through the introduction of 25% excise duty will reduce the actual number of transformers that can be procured within the current budget and cash flow position of KPLC. This implies that there will be an increase in prolonged outages across the country due to the unavailability of sufficient transformer stocks. In addition, connection of new customers will also be hampered where a new transformer is required. Some of the implications are prolonged outages due to insufficient transformer stock which could lead to increased insecurity and decline in economic activity and delays in connecting new customers.

### **3.2.2 Westminster Consulting**

While supporting the Bill, Westminster Consulting submitted as follows:

24. The Bill proposes the deletion of excise duty on imported fully assembled transformers of tariff codes 8504.10, 8504.21, 8504.22, 8504.23, 8504.31, 8504.32, 8504.34 which was initially introduced in the Tax Laws (Amendment) Act, 2024.
25. The East African Community Common External Tariff has no codes for fully assembled or partially assembled transformers, making the law as currently provided difficult to administer.
26. The stakeholder supported the proposed deletion for the following reasons:
  - (a) *Lack of local capacity*
27. Kenya does not manufacture electric transformers. As such, imposing a tax on imported transformers does not serve to protect or promote any local industry. Instead, it imposes an additional cost burden on consumers and businesses that rely on electricity.
  - (b) *Increase in the cost of electricity.*
28. Taxing transformers increases electricity distribution costs, negatively impacting industries, small businesses, and households. Higher electricity costs will slow economic development, discourage investment, and put undue financial strain on Kenyan citizens.
  - (c) *Deterrence of private sector investment*
29. The 25% excise duty on transformers, introduced in the Tax Laws (Amendment) Act, 2024, increases costs for private power producers, including Independent Power Producers (IPPs), who contribute 28% of Kenya's electricity supply. This tax may deter investment, raise electricity costs, and strain the grid, potentially leading to power shortages and hindering progress toward universal electricity access.

## **New Proposal**

30. Westminster noted that the Tax Laws (Amendment) Act, 2024, contains an error in the classification and description of glass, specifically regarding float glass and safety glass. The Act incorrectly refers to tariff code 7007 instead of 7005 for imported float glass, causing confusion and unintended consequences, particularly in the transportation sector, which relies on correctly classified glass for safety and regulatory compliance.
31. The stakeholder proposed deleting the entire provision to prevent unintended consequences that could disrupt the transport sector. However, should the provision be retained, they suggested that glass used in vehicles, aircraft and rail—including laminated and tempered glass classified under Heading 7007—be explicitly excluded from its scope as this significantly impacts safety.
32. The reasons for the proposed deletion by the stakeholder were as follows—
  - (a) *EAC Band rates*
33. The East African Community Common External Tariff (EAC CET) assigns a 0% duty rate to raw materials and a 10% duty rate to intermediate products that the region cannot produce locally. Safety glass, including laminated and tempered glass under Heading 7007, falls under the 10% duty rate due to the EAC's lack of local manufacturing capacity for these products.
34. This classification ensures that essential safety components remain accessible while recognizing the limitations in domestic production capabilities.
  - (b) *OEM requirements*
35. Heading 7007 covers safety glass used in transportation, including vehicles, trains, and airplanes, which must meet strict safety standards to protect passengers during impact. Due to these stringent requirements, Kenya lacks local OEMs capable of producing safety glass that meets international standards.
36. Imposing a tax on this critical component would limit access to high-quality OEM-produced safety glass, making it more expensive and difficult to source. This could force businesses and individuals to use substandard alternatives, increasing the risk of accidents and compromising public safety, as poor-quality glass may fail under impact.
  - (c) *Compliance with customs laws*
37. For the Tax Laws (Amendment) Act to be effective, it must avoid ambiguity, particularly in the classification and description of products under the East African Community (EAC) Common External Tariff (CET). The CET, which is a uniform tariff system for EAC member states, follows the Harmonized System (HS) for classifying goods, ensuring consistent import duties across the region. The law as presented incorrectly classifies imported float glass under HS Code 7007, while it should be

under HS Code 7005, as outlined in the EAC CET. This discrepancy undermines the clarity and enforceability of the law.

38. Kenya, a signatory to the Harmonized System since 1989, adopted the Common External Tariff through the East African Community Union's Protocol. This system is meant to align with international standards, as detailed in Articles 8 and 12 of the EAC Protocol and further explained in Annex I of the East Africa Customs Union. The EAC CET, which uses the Harmonized System, ensures uniformity in goods classification, but the misclassification of float glass under the wrong heading is inconsistent with these established standards. This could create regional issues for Kenya.

### **Committee Observation**

**The Committee noted the new proposal by the stakeholder and made the following observations:**

- (a) The Tax Laws (Amendment) Act, 2024 (contained an amendment that imposed excise duty on imported float glass in the following manner:**

<i>Description</i>	<i>Rate of Excise Duty</i>
<b>Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked of tariff 7007</b>	<b>35% of custom value or KSh.200 per kg</b>

- (b) According to the East African Community Common External Tariff (EAC CET), float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or nonreflecting layer, but not otherwise worked, has a tariff heading 70.05 whereas the H.S. Code/Tariff Numbers are 7005;**

- (c) The EAC CET, further provides that, safety glass, consisting of toughened (tempered) or laminated glass, has a tariff heading 70.07 whereas the H.S. Code/Tariff Numbers are 7007;**

- (d) That, due to the mismatch between the tariff description and the tariff code , the provision has proved difficult to enforce, thus leading to loss of revenue.**

**(e)The Committee, therefore agrees with the stakeholder that the tariff 7007 for float glass was erroneous and ought to have been 7005 in accordance with the EAC CET.**

### **3.2.3 INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)**

ICPAK appeared before the Committee and submitted as follows:

39. The Tax Laws (Amendment) Act, 2024, which became effective from 27 December, 2024, brought significant changes to the provisions of the Excise Duty Act with an imposition of the 25% tax on imported assembled electric transformers and parts to support local assemblers, but instead resulted in increasing the cost of importing parts.
40. While the Bill intends to reduce costs and improve access to quality transformers, this could undermine local manufacturing and endanger Kenya's efforts to achieve self-sufficiency in critical infrastructure.
41. Kenya's local transformer manufacturing industry mainly imports parts for the assembling or manufacturing of transformers.
42. The existing local capacity is for the production with a power handling capacity of 1000kVA and below. However, KPLC and other electricity providers need larger transformers above 1000kVA to meet the growing electricity demand and expand electricity.
43. ICPAK proposed an amendment of clause 2 of the Bill to exclude parts and imported fully assembled electric transformers with a power handling capacity of over 1000 kVA.
44. Additionally, to grow the capacity of local electric transformer manufacturers, ICPAK proposed a provision of incentives to deter importation. This may be in the form of gradual imposition of excise duty from say 5% to the current 25% on imported fully assembled electric transformers with a power handling capacity of over 1000 kVA, over a 3-year period.
45. The justifications for the proposals were two-fold:
  - (a) Excluding imported fully assembled electric transformers with a power handling capacity of over 1000 kVA will shield electricity suppliers from the high costs of power installation; and
  - (b) Gradually increasing excise duty on imported fully assembled electric transformers will encourage industrialization in the country while deterring the importation of finished products.

### **Committee Observation**

The Committee noted the submissions by the stakeholder and made the following observations:

- (a) The Committee was not persuaded that excluding from excise duty imported fully assembled electric transformers with a power handling capacity of over 1000 kVA will shield electricity suppliers from high costs of power installation;

The parts of electric transformers under H.S Code/Tariff Number 8504.90.00 in the EAC ECT currently attract a Common External Tariff rate of 0% in respect of parts of electric transformers imported into the EAC;

- (b) The Bill seeks to return the status quo before the passage and coming into force of the Tax Laws (Amendment) Act, 2024 where there would be no excise duty imposed on the importation of parts of electric transformers thus the stakeholder's proposal in this respect is catered for in the Bill;

- (c) The EAC ECT does not have H.S Code/Tariff Number for electric transformers with a power handling capacity of 1000 kVA and below; thus, H.S Code/Tariff Number 8504.21.00 is for electric transformers having a power handling capacity not exceeding 650 kVA, H.S Code 8504.22.00 is for electric transformers having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA and H.S. Code 8504.23.00 is for electric transformers having a power handling capacity exceeding 10,000 kVA;

- (d) The Committee noted submission made by the Kenya Power and Lighting Company, to the effect that any excise duty imposed on any transformers or transformer parts, would inevitably lead to an increase in government expenditure, as the assemblers would transfer the cost to the government;

### 3.2.4 Institute of Public Finance (IPF)

46. IPF through a written memoranda IPF/CEO/SBM/02/04-2025 submitted as follows:

47. IPF supported the proposed amendment noting that removing excise duty on imported electric transformers and related components will likely make power infrastructure more affordable and encourage investment in electricity expansion.

48. However, they stated that while the move may support economic growth and infrastructure development, it could also result in short-term revenue losses for the government.

### **3.2.5 Pan Africa Transformers & Switchgears Ltd**

Pan African Transformers & Switchgears Ltd appeared before the Committee and supported the proposed amendment.

49. Electricity transformers are critical equipment in the supply of electricity. The introduction of 25% Excise duty on transformers will directly increase the cost of transformers.
50. Pan Africa Transformers & Switchgears Limited stated that they are a key contributor to the local economy, employing over 100 direct staff and indirectly supporting more than 300 families. As part of our expansion plans, we aim to grow our operations to employ up to 2,000 staff, further strengthening our contribution to job creation and economic development. If these duties remain in place, they will severely impact the industry's growth, limit job creation, and contradict the government's commitment to fostering local manufacturing and industrialization.
51. Additionally, they noted that this exemption is essential to enable them to fulfill their ongoing contracts with Kenya Power & Lighting Co (KPLC) without disruption. Failure to address this issue will result in a 25% increase in electricity prices and production costs, with widespread economic consequences across all sectors.

#### **Committee Observation**

**The Committee noted that there is a need to have more discussion with the existing local assemblers to identify the appropriate incentives for the sector.**

### **3.2.6 Yocean Group Ltd**

Yocean Group Ltd appeared before the Committee and submitted as follows:

52. The stakeholder supported the proposed amendment, noting that imposing a 25% excise duty on transformers and their parts has significantly increased the cost of electricity infrastructure, slowing down electrification projects and industrial growth.
53. Removing the duty will reduce costs, encourage investment in the energy sector, and support Kenya's development agenda. Additionally, reducing costs for power infrastructure will ultimately translate to lower electricity tariffs for consumers.

#### **Committee Observation**

**The Committee noted that there is a need to have more discussion with the existing local assemblers to identify the appropriate incentives for the sector.**

## CHAPTER FOUR

### 4 COMMITTEE OBSERVATIONS

54. The Committee made the following observations:

- (a) The Bill seeks to amend the Excise Duty Act, Cap. 472, to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Act, 2024 to support local assemblers of electric transformers. However, the amendment has negatively affected the manufacture and supply of transformers by increasing the cost of importing parts.
- (b) Kenya is still in the infancy stage in the manufacturing of transformers. due to the fact that most of the transformer parts are not manufactured locally and therefore kenya firms ordinarily assemble imported parts of the transformers.
- (c) The Bill will reduce the cost of electricity and enhance power connectivity through additional transformer manufacturing and supply to Kenya Power and Lighting Company.
- (d) Suppose the status quo remains and the imposition of 25% excise duty is sustained on imported fully assembled electric transformers and their parts. In that case, the cost of transformers will increase, reducing the number of transformers that can be procured within the current budget and cash flow position of KPLC. This may exacerbate outages across the country due to the unavailability of sufficient transformer stocks.
- (e) The Tax Laws (Amendment) Act, 2024 contained an amendment that imposed excise duty on imported float glass in the following manner:

<i>Description</i>	<i>Rate of Excise Duty</i>
Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked of tariff 7007	35% of custom value or KSh.200 per kg

- (f) According to the East African Community Common External Tariff (EAC CET), float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or nonreflecting layer, but

**not otherwise worked, has a tariff heading 70.05 whereas the H.S. Code/Tariff Numbers are 7005;**

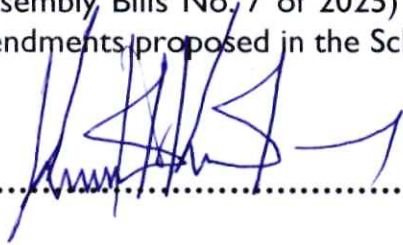
- (g) The EAC CET, further provides that, safety glass, consisting of toughened (tempered) or laminated glass, has a tariff heading 70.07 whereas the H.S. Code/Tariff Numbers are 7007;**
- (h) The tariff 7007 for float glass was erroneous and ought to have been 7005 in accordance with the EAC CET. This therefore needs to be rectified through an amendment to the Bill.**

**CHAPTER FIVE**

**4 COMMITTEE RECOMMENDATION**

55. The Committee, having considered the Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025) recommends that the House approves the Bill with amendments proposed in the Schedule of Amendments.


SIGNED.....



DATE.....

8<sup>th</sup> April, 2025

**HON. CPA KURIA KIMANI, CBS, MP  
CHAIRPERSON  
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL  
PLANNING**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 08 APR 2025	DAY.
TABLED BY:	
CLERK-AT THE-TABLE:	

## SCHEDULE OF PROPOSED AMENDMENTS

### CLAUSE 2

**THAT**, the Bill be amended by deleting clause 2 and substituting therefor the following new clause—

Amendment of the **2.** The First Schedule to the Excise Duty Act is First Schedule to amended in part I—  
Cap.472.

(a) by deleting the following item and the corresponding rate of excise duty—

Description	Rate of Excise Duty
Imported Fully Assembled Electric transformers and parts of tariff codes 8504.10.00, 8504.21.00, 8504.23.00, 8504.32.00, 8504.34.00	25%

(b) In the tariff description, “Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked of tariff 7007” by deleting the tariff number “7007” and substituting therefor the tariff number “7005”.

### Justification

The proposed amendment is to ensure that the tariff description for “Imported Float glass and surface ground or polished glass, in sheets whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked” contains the correct tariff code, that is, tariff code 7005.

This will remove ambiguity in the provision and ensure ease in enforcement.



**THE NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT – FOURTH SESSION - 2025**

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.  
ADOPTION LIST  
REPORT ON THE EXCISE DUTY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO  
7 OF 2025).**

We, the Members of the Departmental Committee on Finance and National Planning have pursuant to Standing Order 199, adopted this Report and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, **8<sup>TH</sup> April, 2025.**

S/NO.	NAME	SIGNATURE
1.	HON. (CPA). KURIA KIMANI, CBS, MP - <b>CHAIRPERSON</b>	
2.	HON. (AMB). BENJAMIN KIPKIRUI LANGAT, MP - <b>VICE CHAIRPERSON</b>	
3.	HON. KALUMA PETER OPONDO, CBS, MP	
4.	HON. GEORGE SUNKUYIA RISA, MP	
5.	HON. (CPA) JOSEPH MAERO OYULA, MP	
6.	HON. ANDREW ADIPO OKUOME, MP	
7.	HON. DAVID MWALIKA MBONI, MP	
8.	HON. CHIFOROMODO MANGALE MUNGA, MP	
9.	HON. MAINA BETTY NJERI, MP	
10.	HON. (CPA) JULIUS KIPLETING RUTTO, MP	
11.	HON. PAUL KIBICHIY BIEGO, MP	
12.	HON. UMUL KER SHEIKH KASSIM, MP	
13.	HON. DR. SHADRACK MWITI ITHINJI, MP	
14.	HON. DR. JOHN ARIKO NAMOIT, MP	
15.	HON. MOHAMED SOUD MACHELE, MP	

**MINUTES OF THE 20<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON TUESDAY, 8<sup>TH</sup> APRIL 2025 IN COMMITTEE ROOM 22, 5<sup>TH</sup> FLOOR, BUNGE TOWER, AT 12.00 P.M**

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**PRESENT**

1. Hon. CPA. Kuria Kimani, CBS, MP - Chairperson
2. Hon. David Mwalika Mboni, MP
3. Hon. Kaluma Peter Opondo, CBS MP
4. Hon. CPA. Joseph Maero Oyula, MP
5. Hon. Julius Kipletting Rutto, MP
6. Hon. Paul Kibichiy Biego, MP
7. Hon. Umul Ker Sheikh Kassim, MP
8. Hon. Chiforomodo Mangale Munga, MP
9. Hon. George Sunkuyia Risa, MP

**ABSENT WITH APOLOGY**

1. Hon. (Amb.) Benjamin Kipkirui Langat, CBS, MP - Vice-Chairperson
2. Hon. Mohamed Soud Machele, MP
3. Hon. Maina Betty Njeri, MP
4. Hon. (Dr.) Shadrack Mwiti Ithinji, MP
5. Hon. (Dr.) John Ariko Namoit, MP
6. Hon. Andrew Adipo Okuome, MP

**IN-ATTENDANCE.**

**COMMITTEE SECRETARIAT**

1. Mr. Benjamin Magut - Principal Clerk Assistant II
2. Mr. Salem Lorot - Legal Counsel I
3. Mr. Benson Kamande - Clerk Assistant III
4. Ms. Winfred Kambua - Clerk Assistant III
5. Mr. George Ndenjeshe - Fiscal Analyst II
6. Ms. Nelly Ondieki - Research Officer III
7. Ms. Joyce Wachera - Hansard Officer II
8. Mr. Benson Muthuri - Serjeant-At-Arms
9. Mr. Ian Kinuthia - Intern
10. Mr. Allan Kimani - Intern

**AGENDA**

1. Prayers
2. Preliminaries/Introductions
3. Confirmation of Minutes/Matters Arising
4. Agenda.-**Consideration and Adoption of the Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025).**  
Any other Business
5. Adjournment/Date of the Next Sitting.

**MIN No. NA/F & NP/2025/089:                      PRELIMINARIES**

The meeting was called to order at 12.29 p.m. with a word of prayer by the Hon. Kaluma Peter Opondo, CBS MP. The Chairperson then invited the meeting to deliberate on the day's agenda.

**MIN No. NA/F & NP/2025/090:                      CONFIRMATION OF MINUTES**

Confirmation of minutes of the previous sittings were deferred to the next sitting.

**MIN No. NA/F & NP/2025/091:                      CONSIDERATION AND ADOPTION OF  
THE EXCISE DUTY (AMENDMENT) BILL  
(NATIONAL ASSEMBLY BILL NO. 7 OF  
2025).**

The meeting deliberated at length and agreed on the observations and recommendations contained in Chapter Four and Five of the Report as follows.

- (a) **The Bill seeks to amend the Excise Duty Act, Cap. 472, to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Act, 2024 to support local assemblers of electric transformers. However, the amendment has negatively affected the manufacture and supply of transformers by increasing the cost of importing parts.**
- (b) **Kenya is still in the infancy stage in the manufacturing of transformers. due to the fact that most of the transformer parts are not manufactured locally and therefore kenya firms ordinarily assemble imported parts of the transformers.**
- (c) **The Bill will reduce the cost of electricity and enhance power connectivity through additional transformer manufacturing and supply to Kenya Power and Lighting Company.**
- (d) **Suppose the status quo remains and the imposition of 25% excise duty is sustained on imported fully assembled electric transformers and their parts. In that case, the cost of transformers will increase, reducing the number of transformers that can be procured within the current budget and cash flow position of KPLC. This may exacerbate outages across the country due to the unavailability of sufficient transformer stocks.**
- (e) **The Tax Laws (Amendment) Act, 2024 contained an amendment that imposed excise duty on imported float glass in the following manner:**

<i>Description</i>	<i>Rate of Excise Duty</i>
<b>Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but</b>	<b>35% of custom value or KSh.200 per kg</b>

not otherwise worked of tariff 7007

- (f) According to the East African Community Common External Tariff (EAC CET), float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or nonreflecting layer, but not otherwise worked, has a tariff heading 70.05 whereas the H.S. Code/Tariff Numbers are 7005;
- (g) The EAC CET, further provides that, safety glass, consisting of toughened (tempered) or laminated glass, has a tariff heading 70.07 whereas the H.S. Code/Tariff Numbers are 7007;
- (h) The tariff 7007 for float glass was erroneous and ought to have been 7005 in accordance with the EAC CET. This therefore needs to be rectified through an amendment to the Bill.

**Committee Resolution.**

The Report was then adopted having been proposed by Hon. David Mboni, MP. and seconded by Hon. Chiforomodo Mangale Munga, MP

*(Comprehensive details of the Committee's Observations and Recommendation is contained in Chapter Four and Five of the Report on Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025).*

**MIN No. NA/F & NP/2025/092:**

**ADJOURNMENT/DATE OF THE NEXT MEETING**

There being no other business the meeting was adjourned at 2.04 p.m. The next meeting will be held on notice.

**SIGNED:** .....  ..... **DATE:** ..... 8<sup>th</sup> April, 2025 .....

**HON. CPA. KURIA KIMANI, CBS, MP  
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON FINANCE AND  
NATIONAL PLANNING.**

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 32 (National Assembly Bills No. 7)*

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REPUBLIC OF KENYA

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**KENYA GAZETTE SUPPLEMENT**

**NATIONAL ASSEMBLY BILLS, 2025**

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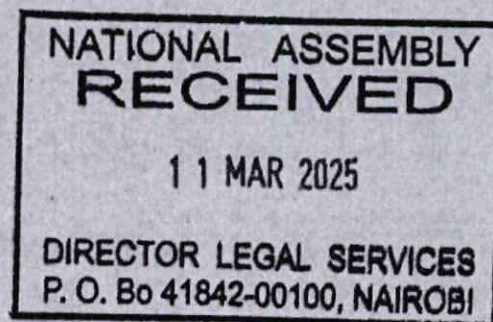
**NAIROBI, 6th March, 2025**

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CONTENT

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The Excise Duty (Amendment) Bill, 2025 .....	173



NATIONAL ASSEMBLY  
RECEIVED  
11 MAR 1955  
DIRECTOR LEGAL SERVICE  
P. O. 8641812-00100, WASHINGTON

**THE EXCISE DUTY (AMENDMENT) BILL, 2025****A Bill for****AN ACT of Parliament to amend the Excise Duty Act and for connected purposes**

**ENACTED** by the Parliament of Kenya, as follows—

1. This Act may be cited as the Excise Duty (Amendment) Act, 2025 and shall be deemed to have come into operation on 27th December, 2024.

Short title and commencement.

2. The First Schedule to the Excise Duty Act is amended in Part 1 by deleting the following item and the corresponding rate of excise duty—

Amendment of the First Schedule to Cap.472

<i>Description</i>	<i>Rate of Excise Duty</i>
Imported Fully Assembled Electric transformers and parts of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00	25%

**MEMORANDUM OF OBJECT AND REASONS**

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.

It is intended that this amendment will reduce the cost of electricity and enhance power connectivity through additional manufacture and supply of transformers to the Kenya Power and Lighting Company.

**Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms**

The Bill neither delegates legislative powers to the Cabinet Secretary nor does it limit any fundamental rights or freedoms.

**Statement as to whether the Bill concerns counties within the meaning of Article 110(1)**

The Bill does not concern County Governments in terms of Article 110 (1) (a) of the Constitution and it does not affect the functions and powers of County Governments recognized in the Fourth Schedule to the Constitution.

**Statement of the Bill as a money Bill within the meaning of Article 114 of the Constitution**

The Bill is a money Bill within the meaning of Article 114 of the Constitution.

Dated the 5th March, 2025.

**KIMANI ICHUNG'WAH,**  
*Leader of Majority Party.*

REPUBLIC OF KENYA



THIRTEENTH PARLIAMENT | FOURTH SESSION  
THE SENATE

INVITATION FOR SUBMISSION OF MEMORANDA  
RECOMMENDATION ON THE FOURTH BASIS FOR REVENUE SHARING  
AMONG COUNTY GOVERNMENTS

Article 217(1) of the Constitution provides that once every five years, the Senate shall, by resolution, determine the basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government.

Pursuant to Article 216(1) of the Constitution, the Commission on Revenue Allocation submitted to the Senate its recommendation on the fourth basis for revenue sharing among county governments. The recommendation was tabled in the Senate on Wednesday, 12<sup>th</sup> February, 2025 and thereafter stood committed to the Standing Committee on Finance and Budget to facilitate public participation and to take into account the views and recommendations of the public when making its report to the Senate.

The recommendation of the Commission on Revenue Allocation on the fourth basis for revenue sharing among county governments for Financial Years 2025/2026 to 2029/2030 is based on the following objectives and parameters-

Objective	Parameter	Assigned weight (%)
1. To share revenue equitably to facilitate service delivery	Population	42
	Equal share	22
	Geographical size	9
2. To share revenue equitably to address economic disparities and promote development	Poverty	14
	Income distance	13
<b>Total</b>		<b>100</b>

In accordance with the provisions of Articles 118(1)(b) and 217(2)(d) of the Constitution, the Standing Committee on Finance and Budget now invites interested members of the public to submit any representations that they may have the recommendation by way of written memoranda.

Memoranda may be submitted to the Clerk of the Senate, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate, Main Parliament Buildings, Nairobi or emailed to [clerk\\_senate@parliament.go.ke](mailto:clerk_senate@parliament.go.ke) and copied to [financebudgetcomm.senate@parliament.go.ke](mailto:financebudgetcomm.senate@parliament.go.ke) to be received on or before **Thursday, 3<sup>rd</sup> April, 2025 at 5.00 p.m.**

The full text of the recommendation may be accessed on the Parliament website at <http://www.parliament.go.ke/the-senate/house-business/papers-laid>.

J. M. NYEGENYE, CBS,  
CLERK OF THE SENATE.



THIRTEENTH PARLIAMENT - FOURTH SESSION (2025)  
THE NATIONAL ASSEMBLY

IN THE MATTER OF ARTICLE 118 (1)(B) OF THE CONSTITUTION  
AND

IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE EXCISE  
DUTY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025)

INVITATION TO SUBMIT MEMORANDA AND NOTIFICATION OF  
PUBLIC HEARINGS

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees and Standing Order 127(3) of the National Assembly Standing Orders requires House Committees considering Bills to facilitate public participation;

AND WHEREAS, the Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025) has been committed to the Departmental Committee on Finance and National Planning for consideration and reporting to the House.

IS NOTIFIED that the Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025) is a Bill sponsored by the Leader of the Majority Party which seeks to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had negative effect on the manufacture and supply of transformers by increasing the cost of importing parts. It is intended that this amendment will reduce the cost of electricity and enhance power connectivity through additional manufacture and supply of transformers to the Kenya Power and Lighting Company.

NOW THEREFORE, in compliance with Article 118(1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the Bill to the Departmental Committee on Finance and National Planning.

Written Memoranda should indicate the name of the person or organization submitting it and their contact details and should be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, First Floor, Main Parliament Buildings, Nairobi or emailed to [cas@parliament.go.ke](mailto:cas@parliament.go.ke) or [financecommittee@parliament.go.ke](mailto:financecommittee@parliament.go.ke) to be received on or before **Wednesday 2<sup>nd</sup> April, 2025 at 5.00 p.m.**

IT IS FURTHER NOTIFIED that the Departmental Committee on Finance and National Planning shall hold public hearings on the Bill on **Thursday 3<sup>rd</sup> April, 2025 at the Bunge Towers, Main Parliament Buildings from 10.00 a.m. to 1.00 p.m.**

The Committee shall discuss the contents of the Bills and their implications during the hearings. Members of the public are invited to attend and share their views on the Bills during the sessions.

Copies of the Bills are available at the National Assembly Table Office or <http://www.parliament.go.ke/the-national-assembly/house-business/bills>.

S. NJOROGE, CBS  
CLERK OF THE NATIONAL ASSEMBLY  
20<sup>th</sup> March 2025

For the Welfare of Society and the Just Government of the People



ORANGE DEMOCRATIC MOVEMENT

TO ALL PARTY MEMBERS

PARTY GRASSROOTS ELECTIONS

The National Elections Coordinating Committee (NECC) is mandated under Article 61 of the Party Constitution "to plan, organize, direct, conduct, supervise and/or co-ordinate all party elections and nominations of candidates" which includes the party grassroots elections.

Following the successful Polling Unit elections conducted on 27<sup>th</sup> November 2024, the NECC wishes to announce the following:

1. That Sub-Branch (Ward) Elections will take place on **Monday 7<sup>th</sup> April 2025** at designated centers across the Forty Seven (47) Counties.
2. That Branch (Constituency) Elections will be held on **Wednesday 9<sup>th</sup> April 2025**, at designated centers across the 290 Constituencies nationwide.
3. That a total of 77 Party officials will be elected at the Sub-Branch and Branch levels, across four (4) Committees: **Mainstream, Women's League, Youth League, and Disability League.**
4. That the Positions in the Mainstream Category include:
  - Chairperson, Deputy Chairperson, Secretary, Deputy Secretary, Treasurer, Deputy Treasurer, Organizing Secretary, Deputy Organizing Secretary,
  - Secretary for Women, Secretary for Youth, Secretary for Disability, Special Interest Group Representative,
  - Eight (8) additional officials designated as Committee Members.
5. That the Positions in the Women's League, Youth League, and Disability League include:
  - Chairperson, Deputy Chairperson, Secretary, Deputy Secretary, Organizing Secretary, Deputy Organizing Secretary, Treasurer, Deputy Treasurer, Special Interest Group Representative,
  - Eleven (11) additional Committee Members.
6. That the elections will be conducted through consensus or voting by a show of hands.
7. That voting will take place between 10:00 AM and 2:00 PM on the respective election dates.
8. That only delegates elected at the Polling Unit level will be eligible to participate as voters or candidates.
9. That delegates who have not paid the Kshs. 100 fee for the Polling Unit elections will not be eligible to participate in the Sub-Branch elections.
10. Application Process
  - Eligible Polling Unit delegates can apply for Sub-Branch positions via the Party App Through the link:
    - a) [https://odmgrassroots.mobifln.com/ward\\_aspirant\\_registration.php](https://odmgrassroots.mobifln.com/ward_aspirant_registration.php) OR by USSD \*483\*036#
    - Applications for Sub-Branch positions

will open on **Thursday, 20<sup>th</sup> March 2025**, and closes at **midnight on Monday 31<sup>st</sup> March 2025.**

- Eligible Sub-Branch delegates can apply for Branch positions via the Party App Through the link:
  - b) [https://odmgrassroots.mobifln.com/constituency\\_aspirant\\_registration.php](https://odmgrassroots.mobifln.com/constituency_aspirant_registration.php) OR by USSD \*483\*036#
- Polling Unit delegates can check their status through the link:
  - <https://www.odm.co.ke/downloads/grassrootspollingunitsresults.pdf>

11. Registration Fees

- All aspirants for Sub-Branch positions (except Chairperson): Kshs. 200
- Sub-Branch Chairperson: Kshs. 500
- All non-executive positions at the Branch level, as well as positions for Women, Youth, Disability, and Special Interest/Marginalized Group Representatives: Kshs. 500
- All executive positions at the Branch level (except Chairperson): Kshs. 1,000
- Branch Chairperson: Kshs. 5,000

12. Payment Method: All registration fees shall be paid via ODM Pay-bill No. 985900 indicate the position applied for as the Account Number.

13. After the elections at the Sub-Branch and Branch levels, the Presiding Officer will:

- Announce the results,
- Upload them to the Party App,
- Handover the results template to the Returning Officer.

14. Dispute Resolution: Any aggrieved member may file a complaint within 12 hours of the results declaration via the Party App.

- Complaint fee: Kshs. 15,000 for Sub-Branch elections and Kshs. 30,000 for Branch elections.
- Payment via ODM Pay-bill No. 985900.

15. That members are encouraged to read and acquaint themselves with the guidelines for grassroots elections. The Party Primaries, Nominations and Election Rules handbook can be downloaded from the Party website: [www.odm.co.ke](http://www.odm.co.ke).

16. That members are encouraged to verify their membership details via dialing \*483\*036#.

In order to guarantee a credible process, we urge our Party members to continuously engage the National Elections Coordinating Committee (NECC) for any clarifications via: email- [neb@odm.co.ke](mailto:neb@odm.co.ke); Phone: 0757242495.

Dated at Nairobi this 20<sup>th</sup> Day of March, 2025.

*Deeect*

Hon. Emily Awita  
CHAIRPERSON - THE NATIONAL ELECTIONS COORDINATING COMMITTEE (NECC)



# Court freezes copyright society's bank account and paybill number

► Judge issued directive after MCSK chief executive and others violated court orders issued in December last year.

► The orders barred MCSK from collecting monies and royalties on behalf of its members or issuing licences.

NANCY GITONGA, NAIROBI

A commercial court has frozen Music Copyright Society of Kenya's (MCSK) bank accounts and paybill number, for disregarding earlier orders to halt revenue collection.

Milimani Commercial Court Magistrate, Rawlings Musiega, issued the directive after the Performing and dio-Visual Rights Society of Kenya (PARSK) filed a suit accusing MCSK bosses led by its chief executive, Ezekiel Mutua, of contempt of court by violating previous orders issued by the court in December last year.

The orders barred MCSK from



Music Copyright Society of Kenya CEO Ezekiel Mutua. [File Standard]

collecting monies and royalties on behalf of its members or issuing licences.

The court has now issued interim orders freezing MCSK's revenue collection bank account and M-pesa paybill number, pending the hearing and determination of the contempt

of court application against MCSK's leadership.

These accounts are used by MCSK to collect royalties on behalf of its members, who include artistes and music producers.

MCSK's legal troubles stem from an ongoing dispute over royalty dis-

tribution and the rights of music creators in the country.

PARSK, which represents numerous performing and audiovisual artists, claims that MCSK has been unlawfully collecting and distributing royalties without properly considering the interests of its affiliate members.

Specifically, PARSK accuses MCSK of continuing to issue joint Kenya Association of Music Producers-PARSK-MCSK invoices and licences.

In December 2024, the court issued an order directing MCSK to halt revenue collection activities until the main suit could be determined.

The court also instructed MCSK to cease issuing the joint invoices and licences, as these actions allegedly violated PARSK members' intellectual property rights.

According to PARSK's lawyer, Morris Mburu, MCSK continued to collect funds and issue the disputed invoices and licences violating the court's earlier ruling.

"We were left with no choice but to return to court to enforce the initial orders," Mburu explained.

AGRICULTURE

## Coffee sales earn Sh1.3 billion at Nairobi exchange

Coffee sales earned Sh1.3 billion following the auction of 25,233 bags, which attracted 16 buyers at the Nairobi Coffee Exchange (NCE) on Tuesday.

According to the NCE report, there were 4,878 bags of grade AA and 7,436 bags of grade AB during the auction.

Thiriku Coffee Factory achieved the highest price of Sh 58,618 per bag of grade AA.

Other factories that achieved the best prices were Muthua ini at Sh52,795 per bag of grade AA and Gatura Sh52,795 per bag of the same grade.

In the coffee brokers category, Alliance Berries Ltd sold 8,770 bags that raked in Sh423 million, Kirinyaga Slopes 6,521 bags that earned Sh399.2 million, New KPCU 3,146 bags that fetched Sh167.8 million, KCCE 1,564 bags (Sh 100.6 million), CEBBAL 1,194 bags (Sh 67.7 million).

NCE Chief Executive Officer Lisper Ndung'u said the auction has continued providing farmers with competitive coffee prices.

"Farmers are required to adhere to the advice from the coffee experts to help in production of quality grades that attract good prices," said Ndung'u.

[Boniface Gikandi]

**THIRTEENTH PARLIAMENT - FOURTH SESSION (2025)**  
**THE NATIONAL ASSEMBLY**

IN THE MATTER OF ARTICLE 118 (1)(B) OF THE CONSTITUTION  
AND  
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE EXCISE  
DUTY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025)

**INVITATION TO SUBMIT MEMORANDA AND NOTIFICATION OF  
PUBLIC HEARINGS**

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees and Standing Order 127(3) of the National Assembly Standing Orders requires House Committees considering Bills to facilitate public participation;

AND WHEREAS, the Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025) has been committed to the Departmental Committee on Finance and National Planning for consideration and reporting to the House;

IT IS NOTIFIED that the Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025) is a Bill sponsored by the Leader of the Majority Party which seeks to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had negative effect on the manufacture and supply of transformers by increasing the cost of importing parts. It is intended that this amendment will reduce the cost of electricity and enhance power connectivity through additional manufacture and supply of transformers to the Kenya Power and Lighting Company.

NOW THEREFORE, in compliance with Article 118(1) (b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the Bill to the Departmental Committee on Finance and National Planning.

Written Memoranda should indicate the name of the person or organization submitting it and their contact details and should be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, First Floor, Main Parliament Buildings, Nairobi or emailed to [ena@parliament.go.ke](mailto:ena@parliament.go.ke) or [financecommittee@parliament.go.ke](mailto:financecommittee@parliament.go.ke) to be received on or before Wednesday 2nd April, 2025 at 5.00 p.m.

IT IS FURTHER NOTIFIED that the Departmental Committee on Finance and National Planning shall hold public hearings on the Bill on Thursday 3rd April, 2025 at the Bunge Towers, Main Parliament Buildings from 10.00 a.m. to 1.00 p.m.

The Committee shall discuss the contents of the Bills and their implications during the hearings. Members of the public are invited to attend and share their views on the Bills during the sessions.

Copies of the Bills are available at the National Assembly Table Office or <https://www.parliament.go.ke/the-national-assembly/house-business/bills>.

S. NJORGE, CBS  
CLERK OF THE NATIONAL ASSEMBLY  
20th March 2025

\*For the Welfare of Society and the Just Government of the People\*

**REPUBLIC OF KENYA**  
**THE NATIONAL ASSEMBLY**  
**THIRTEENTH PARLIAMENT - FOURTH SESSION (2025)**

IN THE MATTER OF ARTICLES 2(5) & (6) AND 118 (1)(B) OF THE CONSTITUTION AND SECTION 8 OF THE TREATY MAKING  
AND RATIFICATION ACT, CAP. 40  
AND  
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE AGREEMENT BETWEEN THE GOVERNMENT  
OF THE REPUBLIC OF KENYA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY ON A COMPREHENSIVE  
MIGRATION AND MOBILITY PARTNERSHIP

**INVITATION TO SUBMIT MEMORANDA**

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and its Committees;

AND WHEREAS, the Agreement between the Government of the Republic of Kenya and the Government of the Federal Republic of Germany on a Comprehensive Migration and Mobility Partnership was tabled in the House on Tuesday, 4<sup>th</sup> March 2025 and committed to the Departmental Committee on Labour for consideration and reporting to the House;

IT IS NOTIFIED that the Agreement seeks to provide a framework for cooperation and information exchange on labour mobility, apprenticeships, student training, labour market needs, employment and welfare of employees, and readmission and return. Specifically, the parties to the Agreement undertake to cooperate on the following areas:-

- (a) promoting the fair mobility of skilled workers, students and apprentices;
- (b) promoting temporary migration for reasons of vocational education and training and for the purpose of gainful employment, including exploring possibilities for seasonal work;
- (c) promoting residence for the purpose of gainful employment, including temporary residence for persons seeking gainful employment;
- (d) collaborating on skills development and training;
- (e) cooperating on fair and ethical recruitment practices;
- (f) providing labour market information;
- (g) cooperating on consular services for skilled workers, students and apprentices;
- (h) preventing and combatting irregular migration and smuggling of persons;
- (i) preventing and combatting forced labour, exploitation of labour, and human trafficking as well as protecting victims;
- (j) facilitating the return of nationals of either Party residing in the territory of the other Party who do not, or no longer, fulfill the conditions for entry to or residence in the territory of the other Party; and
- (k) any other areas of cooperation as mutually agreed upon by the Parties.

NOW THEREFORE, in compliance with Articles 2(5) & (6) and 118(1)(b) of the Constitution as well as Section 8 of the Treaty Making and Ratification Act, Cap. 40, the Clerk of the National Assembly hereby invites members of the public and stakeholders to submit memoranda on the Agreement to the Departmental Committee on Labour.

The full text of the Agreement may be accessed at [www.parliament.go.ke/the-national-assembly/house-business/paper-laid](http://www.parliament.go.ke/the-national-assembly/house-business/paper-laid).

The memoranda should be addressed to the Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk, Main Parliament Buildings, Nairobi; or emailed to [ena@parliament.go.ke](mailto:ena@parliament.go.ke); to be received on or before Thursday, 27<sup>th</sup> March 2025 at 5.00 p.m.

S. NJORGE, CBS  
CLERK OF THE NATIONAL ASSEMBLY  
Thursday 20<sup>th</sup> March, 2025

\*For the Welfare of Society and the Just Government of the People\*



**THE NATIONAL ASSEMBLY  
OFFICE OF THE CLERK**

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Main Parliament Buildings

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When replying, please quote

**REF: NA/DDC/F&NP/2025/024**

**28<sup>th</sup> March 2025**

**Dr. Chris K. Kiptoo, CBS**

Principal Secretary  
The National Treasury  
Ministry of National Treasury and Economic Planning  
Treasury Buildings  
**NAIROBI.**

**Hon. Shadrack John Mose, CBS**

Solicitor General  
Office of the Attorney-General and Department of Justice  
Sheria House, Harambee Avenue  
**NAIROBI**

**Dr. (Eng.) Joseph Siror**

Managing Director/CEO  
Kenya Power and Lighting Co. Ltd  
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**CPA Dr. Grace Kamau Ph.D**

Chief Executive Officer  
Institute of Chartered Public Accountants of Kenya (ICPACK)  
CPA Center, Ruaraka, Thika road.  
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**Ms. Faith Mony Odhiambo**

President, Law Society of Kenya  
Lavington, Opposite Valley Arcade,  
Gitanga Road  
**NAIROBI**

**Mr. Jay Patel**

Pan Africa Transformers & Switchgears Limited  
Spring Valley Business Park,  
Block A, Office #4, 1<sup>st</sup> Floor  
Lower Kabete Road,  
**NAIROBI**

**Mr. Tobias Alando**

Chief Executive Officer  
Kenya Association of Manufacturers  
5th floor, KAM House, Westlands,  
Opp. Westgate Shopping Mall  
**NAIROBI**

**Mr. James K. Muraguri**

Chief Executive Officer,  
Institute of Public Finance  
Rosami Court, Muringa Road off Elgeyo Marakwet Road.  
**NAIROBI**

**Mr. Arwinder Sandhu**

Senior Consultant  
Westminister Consulting  
6<sup>th</sup> Floor, the Address, Muthangari  
Drive, Off Waiyaki Way  
**NAIROBI**

Dear

**RE: STAKEHOLDER ENGAGEMENT ON THE EXCISE DUTY  
(AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7  
OF 2025) BY THE DEPARTMENTAL COMMITTEE ON FINANCE  
AND NATIONAL PLANNING.**

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The Departmental Committee on Finance and National Planning is established pursuant to National Assembly Standing Order 216 which mandates it *inter alia*, to **study and review all the legislation referred to it.**

The Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025), was published on 6th March, 2025 vide Kenya Gazette Supplement No. 32 of 2025 and was committed to the Departmental Committee on Finance and National Planning for consideration and reporting back to the House.

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the then Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had a negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.

Pursuant to the provisions of Article 118(1) (b) of the Constitution of Kenya and Standing Order 127 (3), the Committee hereby invites you for a meeting to hear your submissions and comments on the said Bill. The meeting will be held on **Thursday, 3<sup>rd</sup> April 2025** at a venue to be communicated in due course within parliament buildings at 10.00 a.m. as per the attached schedule.

Copies of the Bill are available at the National Assembly Table Office, Main Parliament Buildings, or on <http://www.parliament.go.ke/the-national-assembly/house-business/bills>

You are requested to submit twenty (20) hard copies of any representations you may have on the said bill to the office of the Clerk of the National Assembly on or before **Wednesday, 2<sup>nd</sup> April 2025** at **5.00 p.m.**, a soft copy which may be emailed to [cna@parliament.go.ke](mailto:cna@parliament.go.ke) and copied to the email addresses of the liaison officers mentioned below.

The Committee's Liaison Officers for the meeting are **Mr. Benjamin Magut**, who may be contacted on **Tel. No. 0712974966** or **email address: benjamin.magut@parliament.go.ke** or **Mr. Benson Kamande** of **Tel. No 0789459387** or **email address [benson.kamande@parliament.go.ke](mailto:benson.kamande@parliament.go.ke)** and **Ms. Winfred Kambua Kilonzo** of **Tel. 0720571777** or **email address [winfred.kilonzo@parliament.go.ke](mailto:winfred.kilonzo@parliament.go.ke)**

Yours

**JEREMIAH W. NDOMBI, MBS**  
**For: CLERK OF THE NATIONAL ASSEMBLY**

Copies to: **Hon. FCPA John Mbadi Ng'ongo, EGH**  
Cabinet Secretary  
The National Treasury and Economic Planning  
Treasury Buildings  
Harambee Avenue  
**NAIROBI**



**Hon. Dorcas Oduor, OGW, EBS, SC**  
Attorney General of the Republic of Kenya  
Office of the Attorney General and Department of Justice  
State Law Office  
Sheria House, Harambee Avenue  
**NAIROBI.**

3<sup>rd</sup> April 2025

S/NO	ENTITY	TIME
1.	The National Treasury	10.00 a.m.
2.	Solicitor General	10.30 a.m.
3.	Kenya Power and Lighting Co. Ltd	11.00 a.m.
4.	Institute of Chartered Public Accountants of Kenya (ICPACK)	11.30 a.m.
5.	Law Society of Kenya	12.00 p.m.
6.	Pan Africa Transformers & Switchgears Limited	2.00 p.m.
7.	The Institute of Economic Affairs	2.30 p.m.
8.	Institute of Public Finance	3.00 p.m.



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**28<sup>th</sup> March 2025**

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Principal Secretary  
The National Treasury  
Ministry of National Treasury and Economic Planning  
Treasury Buildings  
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**Hon. Shadrack John Mose, CBS**

Solicitor General  
Office of the Attorney-General and Department of Justice  
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**Mr. Arwinder Sandhu**

Senior Consultant  
Westminister Consulting  
6<sup>th</sup> Floor, the Address, Muthangari  
Drive, Off Waiyaki Way  
**NAIROBI**

Dear *Mr Patel*

**RE: STAKEHOLDER ENGAGEMENT ON THE EXCISE DUTY (AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025) BY THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

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The Departmental Committee on Finance and National Planning is established pursuant to National Assembly Standing Order 216 which mandates it *inter alia*, to **study and review all the legislation referred to it.**

The Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025), was published on 6th March, 2025 vide Kenya Gazette Supplement No. 32 of 2025 and was committed to the Departmental Committee on Finance and National Planning for consideration and reporting back to the House.

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the then Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had a negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.

Pursuant to the provisions of Article 118(1) (b) of the Constitution of Kenya and Standing Order 127 (3), the Committee hereby invites you for a meeting to hear your submissions and comments on the said Bill. The meeting will be held on **Thursday, 3<sup>rd</sup> April 2025** at a venue to be communicated in due course within parliament buildings at 10.00 a.m. as per the attached schedule.

Copies of the Bill are available at the National Assembly Table Office, Main Parliament Buildings, or on <http://www.parliament.go.ke/the-national-assembly/house-business/bills>

You are requested to submit twenty (20) hard copies of any representations you may have on the said bill to the office of the Clerk of the National Assembly on or before **Wednesday, 2<sup>nd</sup> April 2025** at **5.00 p.m.**, a soft copy which may be emailed to [cna@parliament.go.ke](mailto:cna@parliament.go.ke) and copied to the email addresses of the liaison officers mentioned below.

The Committee's Liaison Officers for the meeting are **Mr. Benjamin Magut**, who may be contacted on **Tel. No. 0712974966** or **email address: benjamin.magut@parliament.go.ke** or **Mr. Benson Kamande** of **Tel. No 0789459387** or **email address [benson.kamande@parliament.go.ke](mailto:benson.kamande@parliament.go.ke)** and **Ms. Winfred Kambua Kilonzo** of **Tel. 0720571777** or **email address [winfred.kilonzo@parliament.go.ke](mailto:winfred.kilonzo@parliament.go.ke)**

Yours



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**For: CLERK OF THE NATIONAL ASSEMBLY**

**Copies to:**                   **Hon. FCPA John Mbadi Ng'ongo, EGH**  
Cabinet Secretary  
The National Treasury and Economic Planning  
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**Hon. Dorcas Oduor, OGW, EBS, SC**  
Attorney General of the Republic of Kenya  
Office of the Attorney General and Department of Justice  
State Law Office  
Sheria House, Harambee Avenue  
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3<sup>rd</sup> April 2025

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**28<sup>th</sup> March 2025**

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6<sup>th</sup> Floor, the Address, Muthangari  
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Dear Mr Alando

**RE: STAKEHOLDER ENGAGEMENT ON THE EXCISE DUTY (AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025) BY THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

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The Departmental Committee on Finance and National Planning is established pursuant to National Assembly Standing Order 216 which mandates it *inter alia*, to **study and review all the legislation referred to it.**

The Excise Duty (Amendment) Bill, 2025 (National Assembly Bills No. 7 of 2025), was published on 6th March, 2025 vide Kenya Gazette Supplement No. 32 of 2025 and was committed to the Departmental Committee on Finance and National Planning for consideration and reporting back to the House.

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the then Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had a negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.

Pursuant to the provisions of Article 118(1) (b) of the Constitution of Kenya and Standing Order 127 (3), the Committee hereby invites you for a meeting to hear your submissions and comments on the said Bill. The meeting will be held on **Thursday, 3<sup>rd</sup> April 2025** at a venue to be communicated in due course within parliament buildings at 10.00 a.m. as per the attached schedule.

Copies of the Bill are available at the National Assembly Table Office, Main Parliament Buildings, or on <http://www.parliament.go.ke/the-national-assembly/house-business/bills>

You are requested to submit twenty (20) hard copies of any representations you may have on the said bill to the office of the Clerk of the National Assembly on or before **Wednesday, 2<sup>nd</sup> April 2025 at 5.00 p.m.**, a soft copy which may be emailed to [cna@parliament.go.ke](mailto:cna@parliament.go.ke) and copied to the email addresses of the liaison officers mentioned below.

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Yours



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Senior Consultant  
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6<sup>th</sup> Floor, the Address, Muthangari  
Drive, Off Waiyaki Way  
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Dear Eng Sirori

**RE: STAKEHOLDER ENGAGEMENT ON THE EXCISE DUTY (AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025) BY THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

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Pan Africa Transformers & Switchgears Limited  
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Block A, Office #4, 1<sup>st</sup> Floor  
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Chief Executive Officer  
Kenya Association of Manufacturers  
5th floor, KAM House, Westlands,  
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Chief Executive Officer,  
Institute of Public Finance  
Rosami Court, Muringa Road off Elgeyo Marakwet Road.  
**NAIROBI**

**Mr. Arwinder Sandhu**

Senior Consultant  
Westminister Consulting  
6<sup>th</sup> Floor, the Address, Muthangari  
Drive, Off Waiyaki Way  
**NAIROBI**

Dear *Mr Sandhu*

**RE: STAKEHOLDER ENGAGEMENT ON THE EXCISE DUTY (AMENDMENT) BILL, 2025 (NATIONAL ASSEMBLY BILLS NO. 7 OF 2025) BY THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

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Yours



**JEREMIAH W. NDOMBI, MBS**  
**For: CLERK OF THE NATIONAL ASSEMBLY**

**Copies to:** **Hon. FCPA John Mbadi Ng'ongo, EGH**  
Cabinet Secretary  
The National Treasury and Economic Planning  
Treasury Buildings  
Harambee Avenue  
**NAIROBI**

**Hon. Dorcas Oduor, OGW, EBS, SC**  
Attorney General of the Republic of Kenya  
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**28<sup>th</sup> March 2025**

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## **SUBMISSIONS BY KPLC TO THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.**

### **Impact of 25% Excise Duty on Transformers**

KPLC is the sole distributor of electricity in Kenya currently serving close to 10 million households and enterprises. The company's mandate includes connecting customers to electricity as well as providing stable and reliable power.

KPLC incurs huge capital expenditures on transmission and distribution transformers both for expansion to connect new customers, and maintenance to replace faulty and worn-out transformers.

The Tax Laws Amendment Act, 2024 introduced Excise Duty on imported fully assembled electric transformers and parts at the rate of 25%, this was meant to protect and promote local manufacturing of transformers. It was however noted that the firms indicated as local manufacturers were actually assemblers and not manufacturers, the amendment would therefore not achieve the intended objective given that the importation of parts was also to be subject to the 25% excise duty and thereby result in an increase in prices of transformers across board.

The increase in excise duty has the following implications.

#### **The cost of connection to electricity**

Electricity transformers are critical equipment in the supply and reticulation of electricity, every customer connected to the grid is linked to a transformer which plays a key role in delivering quality and reliable power at the required voltage and frequency level. When customers apply to be connected to electricity, they are either connected to an existing transformer or are required to pay for a new transformer as part of the connection cost. The introduction of 25% Excise duty on transformers will result in the direct increase in the cost of connecting customers.

#### **Increase in electricity tariffs**

The price of electricity to the consumer is determined by the Electricity & Petroleum Regulatory Authority (EPRA), it comprises of the cost of generation, transmission and distribution, including maintenance of the electricity grid. Transformers are a vital component of the electricity grid, which require replacement over time due to wear and tear, faults and vandalism, introducing 25% excise duty on transformers will increase their replacement cost thereby increasing the repairs and maintenance component in the tariff.

#### **Reduction in the number of transformers available for use**

The company procures an average of 4000 transformers every year, these are meant for both the replacement of old and faulty units as well as connection of new customers. With a population of over 82,000 transformers and an average annual replacement rate of 4%,

3200 transformers require to be replaced every year, a further 1,000 are required for network expansion and new customer connections.

Considering the budget constraints and cashflow implications, increasing the cost of transformers through the introduction of 25% excise duty will reduce the actual number of transformers that can be procured within the current budget and cash flow position. This implies that there will be an increase in prolonged outages in across the country due to the unavailability of sufficient transformer stocks, connection of new customers will also be hampered where a new transformer is required. Some of the implications are;

- Prolonged outages due to insufficient transformer stock, these could lead to increased insecurity and decline in economic activity
- Delays in connecting new customers



**KENYA REVENUE  
AUTHORITY**

Tulipe Uthana, Tajitigeme!

## Public Notice

### Imposition of Excise Duty on Excisable Goods and Services Introduced by the Tax Laws (Amendment) Act, 2024

The Kenya Revenue Authority notifies manufacturers and importers of the listed goods and suppliers of the listed services, that the Tax Laws (Amendment) Act, 2024 has introduced excise duty on the goods and services with effect from 27<sup>th</sup> December, 2024 as follows -

Excisable Goods	Tariff	Excise Duty Rate
Imported Fully Assembled Electric transformers and parts	8504 10 00,	25%
	8504 21 00,	
	8504 22 00,	
	8504 23 00,	
	8504 31 00,	
	8504 32 00, 8504 34 00.	
Imported printing ink of tariff 3215.11.00 and 3215.19.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin	3215.11.00 3215.19.00	15%
Imported Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures of tariff heading 6910	6910	5% of custom value or Kshs. 50 per kg
Imported Floor glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer but not otherwise worked of tariff 7007	7007	35% of custom value or Kshs. 200 per kg
Imported ceramic flags and paving, hearth or wall tiles, unglazed ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics of tariff 6907	6907	5% of custom value or Kshs. 200 per square meter
Coal	N/A	2.5% of the custom value
3907.99.00 Imported Saturated polyester	3907.99.00	20%
3905.21.00 Imported polymers of vinyl acetate/vinyl esters	3905.21.00	20%
3903.90.00 Imported emulsion-styrene acrylic	3903.90.00	20%
Printed paper or paperboard of tariff heading 4811.41.90 or 4811.49.00 but excluding those originating from East African Community Partner States that meet the East African Community Rules of Origin	4811.41.90 4811.49.00	25% or Kshs. 150 per kg, whichever is higher
Articles of plastic of tariff heading 3923.30.00 and 3923.90.90	3923.30.00 3923.90.90	10%
<b>Excisable Services</b>		<b>Excise Duty Rate</b>
Fees charged on advertisement in the internet and social media on alcoholic beverages, betting, gaming, lotteries and prize competitions		15%

Manufacturers and importers of the above excisable goods and suppliers of the excisable services are required to apply for an Excise License, Import Certificate and/or Certificate of registration as applicable and submit their applications to their Tax Service Office. Licensing and registration application forms and checklists are available on the KRA website and further assistance is available from our Tax Service Offices.

Further, manufacturers of the excisable goods and suppliers of the excisable services are required to charge excise duty on the excisable goods and services from 27<sup>th</sup> December, 2024 and remit the tax collected to the Commissioner on or before 20<sup>th</sup> day of the month following the month in which the tax was collected. The first return and payment of excise duty for the manufactured excisable products and excisable services is due on or before 20<sup>th</sup> January, 2025.

**Commissioner for Domestic Taxes**

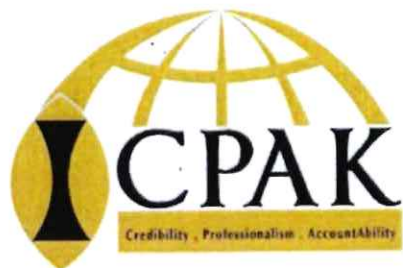
Thank you for paying your taxes!

[www.kra.go.ke](http://www.kra.go.ke)

Kenya Revenue Authority (KRA) is a public corporation established by the Kenya Revenue Authority Act, 2008. It is a body corporate with legal personality, separate from the Government of Kenya. KRA is a public corporation established by the Kenya Revenue Authority Act, 2008. It is a body corporate with legal personality, separate from the Government of Kenya. KRA is a public corporation established by the Kenya Revenue Authority Act, 2008. It is a body corporate with legal personality, separate from the Government of Kenya.







**Institute of Certified Public Accountants of Kenya**

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**ICPAK SUBMISSION  
ON  
THE EXCISE DUTY (AMENDMENT) BILL, 2025**

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**APRIL 2025**

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## Introduction

The Institute of Certified Public Accountants of Kenya (ICPAK) is a statutory body of accountants with the mandate to develop and regulate the accountancy profession in Kenya. The Institute is further mandated under Section 8 of the Accountants' Act of 2008 to advise the Cabinet Secretary for Finance on matters relating to governance and accountability in all sectors of the economy.

The Tax Laws (Amendment) Act, 2024, which became effective from 27 December 2024, brought significant changes to the provisions in the Value Added Tax Act with an imposition of the 25% tax on imported assembled electric transformers and parts with the intention to support local assemblers, but instead resulted in increasing the cost of importing parts.

The proposal to eliminate the 25% excise duty on imported electric transformers sparks diverse opinions. While the intention aims to reduce costs and improve access to quality transformers, concerns emerge that this move could undermine local manufacturing and endanger Kenya's efforts to achieve self-sufficiency in critical infrastructure.

The Bi-Annual Energy & Petroleum Statistics Report for the financial year 2024/25 indicates a decline in the cost of energy across various customer categories over a six-month period from June to December 2024. As illustrated in Table 1.

**Table 1: The Base Electricity Tariff for the Financial Year 2024/25**

Customer Category	Voltage at connection	Energy Limit (kWh/month)	Energy Charge (Ksh./kWh)		Demand Charge (Ksh.)
			As at June 2024	As at December 2024	
Domestic	240 Volts/415 Volts	0-30	12.24	12.23	0
		30-100	16.58	16.54	0
		>100	20.58	19.08	0
Small Commercial	240 Volts/415 Volts	<30	12.24	12.23	0
		30-100	16.36	16.34	0
		>100	20	19.4	0

Handwritten text, possibly a signature or date, located in the lower-left quadrant of the page.

Customer Category	Voltage at connection	Energy Limit (kWh/month)	Energy Charge (Ksh./kWh)		Demand Charge (Ksh.)
			As at June 2024	As at December 2024	
Electric Mobility	240 Volts/415 Volts	200-15,000	16	16	0
Commercial Industrial	415 Volts	>15,000	14.5	13.74	1,100
	11,000 Volts	No Limit	13.08	12.44	700
	33,000 Volts	No Limit	12.52	11.92	370
	66,000 Volts	No Limit	12.26	11.68	300
	132,000 Volts	No Limit	11.98	11.4	300
	220,000 Volts	No Limit	10	10	200
Special Economic Zones	132kV	No Limit	10	10	200
Street Lighting		No Limit	9.24	9.23	0

Source: Bi-Annual Energy & Petroleum Statistics Report, FY 2024/25

Recognizing the significance of this matter, the Institute therefore provides its submission below.

#	Clause	Issue of Concern	Recommendation	Likely Impact				
1.	The First Schedule to the Excise Duty Act is amended in paragraph 146 of Part I by deleting the words "twelve months after this date" and substituting therefore the words "twelve months from the date of commencement of this Act"	<p>The Institute acknowledges the proposed removal of the 25% excise duty on imported fully assembled electric transformers and parts, to promote local transformer manufacturers.</p> <p>Kenya's local transformer manufacturing industry mainly import parts for the assembling/manufacturing of transformers.</p> <p>The existing local capacity is for the production with a power handling capacity of 1000 kVA and below.</p> <p>However, Kenya Power and Lighting Company (KPLC), along with other electricity providers, need larger transformers (those with above 1000 kVA to meet the growing demand for electricity and to expand infrastructure.</p>	<p>1. Amend Part 1 of the First Schedule of the Excise Duty Act to <b>exclude parts and imported fully assembled electric transformers with a power handling capacity of over 1000 kVA</b>. The Section should read as shown in the schedule below:</p> <table border="1" data-bbox="981 673 1554 983"> <thead> <tr> <th>Item</th> <th>Excise duty rate</th> </tr> </thead> <tbody> <tr> <td>Imported fully assembled electric transformers of below 1000Kva.of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00</td> <td>25%</td> </tr> </tbody> </table> <p>2. In addition, in order to grow the capacity of local electric transformer manufacturers, ICPAK proposes provision of incentivizes to deter importation. This may be in form of gradual imposition of excise duty from say 5% to the current 25% on imported fully assembled electric transformers with a power handling capacity of over 1000 kVA, over a 3-year period.</p>	Item	Excise duty rate	Imported fully assembled electric transformers of below 1000Kva.of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00	25%	<p>1. Excluding parts from the 25% excise duty will encourage local assembling of electric transformers.</p> <p>2. Excluding imported fully assembled electric transformers with a power handling capacity of over 1000 kVA will shield electricity suppliers from high costs of power installation.</p> <p>3. Gradual increase of excised duty on imported fully assembled electric transformers over time will encourage industrialization in the country while deterring importation of finished products.</p>
Item	Excise duty rate							
Imported fully assembled electric transformers of below 1000Kva.of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00	25%							

IPF/CEO/SBM/02/04-2025

2<sup>nd</sup> April 2025

**MR. SAMUEL NJOROGE, CBS**

Clerk of the National Assembly,  
Parliament Building,  
P.O. Box 41842-00100,  
**NAIROBI, KENYA.**

Dear Sir,

**RE: INSTITUTE OF PUBLIC FINANCE (IPF) MEMORANDUM ON EXCISE DUTY (AMENDMENT) BILL (NATIONAL ASSEMBLY BILL NO.7 OF 2025) AND THE VALUE ADDED TAX (AMENDMENT) BILL (NATIONAL ASSEMBLY NO. 11 OF 2025)**

Greetings from the Institute of Public Finance (IPF).

The Institute of Public Finance (IPF) is an independent, non-political, and non-religious think tank based in Nairobi, which aspires to further the ideas and principles of open Public Finance Management systems through research, training, and technical assistance.

This submission is made in reference to the invitations received from the National Assembly's Departmental Committee on Finance and Economic Planning on March 20<sup>th</sup> and 27<sup>th</sup>, 2025. The Institute of Public Finance submits its views on the following Bills: The **Excise Duty (Amendment) Bill (National Assembly Bill No.7 of 2025)** and the **Value Added Tax (Amendment) Bill (National Assembly No. 11 of 2025)**.

We appreciate the Committee on Finance and Budget for inviting us to present our insights on the aforementioned Bills in accordance with Article 10 of the Constitution. The submissions herein analyze the potential impact of the proposed amendments, highlight key concerns, and provide recommendations to enhance the effectiveness of the legislative framework.

The **Excise Duty (Amendment) Bill (National Assembly Bill No. 7 of 2025)** proposes to remove excise duty on imported electric transformers and related components. This could lower costs in the energy sector, making power distribution infrastructure more affordable and encouraging investment in electricity expansion. Manufacturers and other energy-dependent industries would benefit from reduced operational costs, potentially



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boosting productivity and competitiveness. However, while the move supports infrastructure development and industrial growth, it may lead to short-term revenue losses. These could be recovered over time through increased corporate and VAT revenues if industrial activity expands as expected.

The **Value Added Tax (Amendment) Bill (National Assembly Bill No. 11 of 2025)** aims to clarify the application period for VAT exemptions on capital goods by tying it to the commencement date of the Tax Laws (Amendment) Act 2024 rather than a fixed past date. This change would help ensure continued tax relief for qualifying investments, especially in manufacturing, by offering greater clarity and predictability.

Recognizing that these amendments reverse provisions of the Tax Laws (Amendment) Act, 2024 — enacted barely three months ago — we reiterate the urgent need to ground legislative and policy changes in robust, evidence-based analysis to promote coherence, predictability, and credibility in fiscal governance.

Our detailed submission is in the annexed table. Submitted for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "JM", is positioned above the printed name of the signatory.

**James Muraguri**

Chief Executive Officer  
Institute of Public Finance  
[jmuraguri@ipfglobal.or.ke](mailto:jmuraguri@ipfglobal.or.ke)

**ANNEX: TABLE 1**

Item	Issue of concern	Impact/ Implication of the proposed change	IPF's Observation and Recommendation
The Excise Duty (Amendment) Bill (National Assembly Bill No.7 of 2025)			
Clause 2 – Excise duty on imported fully assembled electric transformers	The Excise Duty Act, 2015 imposes an excise duty on imported, fully assembled electric transformers, ballasts for discharge lamps or tubes, liquid dielectric transformers, and other transformers with particular power-handling powers. The Bill proposes to make these goods non-excisable.	Removing excise duty on imported electric transformers and related components will likely make power infrastructure more affordable and encourage investment in electricity expansion. However, while the move may support economic growth and infrastructure development, it could also result in short-term revenue losses for the government	We recommend that the National Assembly adopts this amendment on condition that this exemption will improve access to electricity.
Value Added Tax (Amendment) Bill (National Assembly No. 11 of 2025)			
Clause 2 –	The VAT Act, 2013 grants a VAT exemption on capital goods for investments in the manufacturing sector, provided the investment	The proposed amendment clarifies the timeline for VAT exemptions on capital	Adopt the proposal.  The amendment provides clarity on the validity period



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P.O. Box 21753-00100, Nairobi Kenya  
Tel: +254 758 728 882  
Email: [info@ipfglobal.or.ke](mailto:info@ipfglobal.or.ke) | [www.ipfglobal.or.ke](http://www.ipfglobal.or.ke)

	exceeds Ksh 2 billion and the exemption was granted before 1st January 2024, remaining applicable for twelve months after this date. The Bill proposes to amend this provision by redefining the exemption period to apply for twelve months from the date of commencement of the Tax Laws (Amendment) Act, 2024	goods, ensuring administrative ease in processing exemptions on capital goods.	of exemptions on capital goods.
--	--	--	---------------------------------

\*\*\*\*\*The End\*\*\*\*\*



**Pan Africa**  
Transformers & Switchgears Ltd.



P.O. Box 42776 - 00100, Nairobi - KENYA • Tel: +254 743 794827 • Email: info@panafricatxs.com

3<sup>rd</sup> April, 2025  
PATS/070

Mr. Samuel Njoroge,  
Clerk Of The National Assembly,  
**Nairobi - KENYA.**

Dear Sir,

**RE: REQUEST FOR REMOVAL OF DUTIES ON RAW MATERIALS FOR TRANSFORMER MANUFACTURING**

We write to express our deep concern regarding the challenges faced by local transformer manufacturers due to the imposition of duties on critical raw materials.

Pan Africa Transformers & Switchgears Limited is a **registered local manufacturer of transformers and a proud member of the Kenya Association of Manufacturers (KAM)**. We play a vital role in Kenya's industrial sector, supplying transformers mainly to **Kenya Power & Lighting Co. PLC. (KPLC)** and **Rural Electrification & Renewable Energy Corporation (REREC)**. Our operations significantly contribute to the economy by creating jobs, supporting local supply chains, reducing dependence on imports, and generating foreign exchange through exports.

Whilst the government has recognized the need to support local transformer manufacturing by assigning an **existing duty-free code for transformer parts**, we are currently **unable to fully utilize this provision**. Instead, we are required to classify each transformer component under separate tariff codes, which results in **some parts attracting higher duties**—making local production costlier than importing fully assembled transformers. This puts us at a significant disadvantage against foreign manufacturers, particularly those from China and India, who benefit from more favorable duty structures, incentives, and rebates in their home countries.

**Background**

In 2014, **Kenya Power & Lighting Co. PLC. (KPLC)** faced a significant challenge, with transformer failure rates reaching up to 15% at a time when the supply of transformers was entirely dependent on international manufacturers. In response, the government introduced a policy promoting local manufacturing to address this issue. The new policy mandated strict compliance with quality standards, requiring local manufacturers to provide a five-year warranty on supplied transformers. Additionally, **Kenya Power & Lighting Co. PLC. (KPLC)** staff conduct stage inspections during the manufacturing process to ensure that the materials used met the required standards. As a result, the transformer failure rate dropped to 2%, significantly improving the stability of Kenya's power supply.

Following this policy shift, **Pan Africa Transformers & Switchgears Limited** and other companies established local manufacturing plants to produce transformers. However, some entities exploited the policy by importing fully assembled transformers under the guise of local manufacturing. To curb this, the government introduced a 25% excise duty on **fully assembled electric transformers and parts** through the **Tax Laws (Amendment) Bill, 2024**. In response, we petitioned Parliament on November 26, 2024 (enclosed herewith), seeking an exemption for transformer parts. Parliament acknowledged our concerns and subsequently removed the tariff classification "**8504.90.00**".



Despite this legislative amendment, customs authorities, in a letter dated February 7, 2025 (enclosed herewith), classified transformer parts under the same category, thereby subjecting them to the 25% excise duty. This decision persisted even after customs officials visited our factory and observed the extensive local manufacturing process. Citing the "**General Interpretation Rules for the Classification of Goods, Rule 2(a)**", customs maintained that transformer parts should also attract the 25% duty. Caption below:

**GENERAL INTERPRETATION RULES FOR THE CLASSIFICATION OF GOODS**

Classification of goods in the Nomenclature shall be governed by the following principles

- 1 The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only. For legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions
- 2 (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled

While the government's original intent was to incentivize and support local manufacturing, this interpretation has created significant challenges in clearing our consignments. As a result, we have been compelled to provide bank guarantees and customs bonds to the Commissioner of Customs to facilitate the release of our goods.

To highlight the impact of these duties, we have outlined below a table of key raw materials we import for transformer manufacturing. Despite the availability of a duty-free classification for transformer parts, many of these components are currently **subject to varying duty rates, some exceeding 25%**.

ITEM	TYPE OF DESIGNATION	APPLICABLE RATE (%)
Laminations/Core Material	Cold Rolled Grain Oriented (CRGO) Silicon-Electrical Steel	10
Winding Material (Round And Strip Aluminium/Copper Conductor With Paper/Super Enamel Insulation)	Enamelled Round – Grade 3 Grade 1060/1070 PIAC	35
Insulated Winding Wires (Round And Strip Aluminium/Copper Conductor With Paper/Super Enamel Insulation)	Enamelled Round – Grade 3	35
Electrical Insulation Pressboards	-	10
Kraft Paper/Diamond Dotted Paper (DDP)/Crepe Paper	-	10
MS Plates, Angles & Channels Processing	Fabricated Tank And Core Clamp	35
Gaskets	RC - 70	10



# Pan Africa

Transformers & Switchgears Ltd



P.O. Box 42776 - 00100, Nairobi - KENYA • Tel: +254 743 794827 • Email: info@panafricatxs.com

Porcelain Bushings	HV/LV	10
Off Load Tap Changer	OCTC	-
Surge Arrester	Polymer/Porcelain	-
Bi-Metallic Connectors	Brass/Copper	10
Metal Parts	Brass/Copper	10
Flat Washers	HDG/SS	35
Spring Washers	HDG/SS	10
Full Nuts	HDG/SS	35
Bolts	HDG/SS	35
Permawood Blocks	-	35
Paint	Polyurethane	35

This inconsistency undermines our competitiveness, particularly as we seek to expand our exports to regional markets, including Uganda, Tanzania, Malawi, Democratic Republic of the Congo, Zambia, and Rwanda.

Pan Africa Transformers & Switchgears Limited is a key contributor to the local economy, employing over **100 direct staff** and indirectly supporting more than **300 families**. As part of our expansion plans, we aim to grow our operations to employ up to **2,000 staff**, further strengthening our contribution to job creation and economic development. If these duties remain in place, they will severely impact the industry's growth, limit job creation, and contradict the government's commitment to fostering local manufacturing and industrialization.


In light of the above, we urgently call on parliament to remove the 25% excise duty currently imposed on fully assembled electric transformers. This exemption is essential for enabling us to fulfill our ongoing contracts with **Kenya Power & Lighting Co. PLC. (KPLC)** without disruption. Failure to address this issue will result in a 25% increase in electricity prices and production costs, with widespread economic consequences across all sectors.

As we anticipate legislative action, we emphasize the need for a comprehensive policy that upholds the duty-free classification for transformer parts and ensures that all essential components for local transformer manufacturing are exempt from duties. This adjustment is critical for maintaining the competitiveness of local manufacturers like Pan Africa Transformers & Switchgears Limited, fostering industry growth, and driving Kenya's economic development.

We appreciate your prompt attention to this matter and look forward to a favorable resolution.

Yours Faithfully,

For & On Behalf Of **Pan Africa Transformers & Switchgears Limited,**

  
**BOBY THOMAS**  
**DIRECTOR**

BT













**Pan Africa**  
Transformers & Switchgears Ltd.



*BSI*

# Corporate Profile

# Snapshot

-  Established in 2014
-  Over 50,000SFT of factory built up area in 66 Enterprise Road, Industrial Area.
-  Design capability with In house Design facility partnership with Emirates Transformers & Switchgears Ltd
-  Fully equipped test labs to conduct all the tests as per IS Standards
-  Timely Deliveries
-  Repair, overhauling & testing of faulty transformers for KPLC & REA
-  The organization has supplied over 1,100 transformers
-  Structured operations – Ability to execute Multiple Orders across multiple locations simultaneously
-  Successfully conducted Type test on Transformers up to 1000KVA.
-  An ISO 9001:2015 Certified company



BT

Transforming Power..



# The Excise Duty (Amendment) Bill, 2025



WESTMINISTER  
CONSULTING





2<sup>nd</sup> April 2025

The Clerk  
The National Assembly  
Office of the Clerk  
Main Parliament Building  
Nairobi

Dear Sir,

### **Submission of Memoranda**

#### **The Excise Duty (Amendment) Bill, 2025 (National Assembly Bill No. 7 of 2025)**

We write to you in response to your invitation for public participation and submission of memoranda in line with your advert in print media on 20<sup>th</sup> March 2025. We thank you for this opportunity and would like to put forth our submissions on The Excise Duty (Amendment) Bill, 2025 (National Assembly Bill No. 7 of 2025) (hereinafter referred to as “the Bill”) in the ensuing pages of this document for your consideration.

We trust that you will find our overall approach both comprehensive and compelling. If you have any questions or require more clarification, please do not hesitate to contact us.

Yours sincerely,

**George Mbatai**  
*Lead Consultant*

Westminister Consulting  
The Address, 6th Floor  
Muthangari Drive, off Waiyaki Way  
P. O Box 2881-00606  
Nairobi, Kenya  
Tel: +254 72 3 658 444  
info@westministerconsulting.com  
www.westministerconsulting.com

## Clause 2: Proposed deletion of Excise Duty on transformers

- The The Excise Duty (Amendment) Bill, 2025 (National Assembly Bill No. 7 of 2025) proposes the deletion of excise duty on imported fully assembled transformers of tariff codes 8504.10, 8504.21, 8504.22, 8504.23, 8504.31, 8504.32, 8504.34 which was initially introduced in the Tax Laws (Amendment) Act, 2024.
- It is imperative to note that the EAC CET has no codes for fully assembled or partially assembled transformers making the law as phrased difficult to administer.

### Our View

- Generally, however, we believe that the proposed deletion is a welcome move and we support the same for the following reasons
  1. No Local Capacity
  2. Increasing cost of electricity
  3. Deterring private sector investment

### 1. No Local Capacity

- Kenya does not manufacture electric transformers. As such, imposing a tax on imported transformers does not serve to protect or promote any local industry. Instead, it imposes an additional cost burden on consumers and business that rely on electricity for their operations.

*Kenya - Manufacturing Transformer  
Tax on imported " - So tax on  
~~imported~~ does not protect or  
help local industry.*

### 2. Increasing cost of electricity

- Taxing transformers increases the overall cost of electricity distribution, which will negatively impact industries, small businesses and households. Higher electricity costs will slow down economic development, discourage investment and place undue financial strain on Kenyan citizens

### 3. Deterring private sector investment

- The 25% excise duty on transformers, introduced in the Tax Laws (Amendment) Act, 2024, increases costs for private power producers, including Independent Power Producers (IPPs), who contribute 28% of Kenya's electricity supply. This tax may deter investment, raise electricity costs, and strain the grid, potentially leading to power shortages and hindering progress toward universal electricity access.

# The Tax Laws (Amendment) Act, 2024 – Error pertaining to classification and description of glass in its various forms

Imported Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked of tariff 7007 **35% of custom value or KSh.200 per kg**

70.05

Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked.

70.07	<p><b>Safety glass, consisting of toughened (tempered) or laminated glass.</b></p> <p>- Toughened (tempered) safety glass:</p> <p><b>7007.11.00</b> -- Of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels</p> <p><b>7007.19.00</b> -- Other</p> <p>- Laminated safety glass:</p> <p><b>7007.21.00</b> -- Of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels</p> <p><b>7007.29.00</b> -- Other</p>	<p>kg</p> <p>m<sup>2</sup></p> <p>m<sup>2</sup></p> <p>m<sup>2</sup></p>	<p>10%</p> <p>10%</p> <p>10%</p> <p>10%</p>
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- The Tax Laws (Amendment) Act, 2024, contains an error in the classification and description of glass, specifically regarding float glass and safety glass. The Act incorrectly refers to tariff code 7007 instead of 7005 for imported float glass, causing confusion and unintended consequences, particularly in the transportation sector, which relies on correctly classified glass for safety and regulatory compliance.
- To address this issue, we strongly recommend that the entire provision be deleted to prevent unintended consequences that could disrupt the transport sector. However, should the provision be retained, it is imperative that glass used in vehicles, aircrafts and rail—including laminated and tempered glass classified under Heading 7007—be explicitly excluded from its scope as this has a significant impact on safety

# Reasons for deletion

## 1. EAC Band Rates

- The East African Community Common External Tariff (EAC CET) assigns a 0% duty rate to raw materials and a 10% duty rate to intermediate products that the region cannot produce locally. Safety glass, including laminated and tempered glass under Heading 7007, falls under the 10% duty rate due to the EAC's lack of local manufacturing capacity for these products. This classification ensures that essential safety components remain accessible while recognizing the limitations in domestic production capabilities.

## 2. OEM Requirements

- Heading 7007 covers safety glass used in transportation, including vehicles, trains, and airplanes, which must meet strict safety standards to protect passengers during impact. Due to these stringent requirements, Kenya lacks local OEMs capable of producing safety glass that meets international standards. Imposing a tax on this critical component would limit access to high-quality OEM-produced safety glass, making it more expensive and difficult to source. This could force businesses and individuals to use substandard alternatives, increasing the risk of accidents and compromising public safety, as poor-quality glass may fail under impact.

### 3. Compliance with customs laws

- For the Tax Laws Amendment Act to be effective, it must avoid ambiguity, particularly in the classification and description of products under the East African Community (EAC) Common External Tariff (CET). The CET, which is a uniform tariff system for EAC member states, follows the Harmonized System (HS) for classifying goods, ensuring consistent import duties across the region. The law as presented incorrectly classifies imported float glass under HS Code 7007, while it should be under HS Code 7005, as outlined in the EAC CET. This discrepancy undermines the clarity and enforceability of the law.
- Kenya, a signatory to the Harmonized System since 1989, adopted the Common External Tariff through the East African Community Union's protocol. This system is meant to align with international standards, as detailed in Articles 8 and 12 of the EAC Protocol and further explained in Annex 1 of the East Africa Customs Union. The EAC CET, which uses the Harmonized System, ensures uniformity in goods classification, but the misclassification of float glass under the wrong heading is inconsistent with these established standards. This could create regional issues for Kenya.

## Recommendation

- Delete the entire provision to prevent unintended negative impacts in the transport sector.
- If the provision is retained, explicitly exclude glass used in vehicles, aircraft, and rail—including laminated and tempered glass classified under Heading 7007—due to its significant impact on safety



## About Us

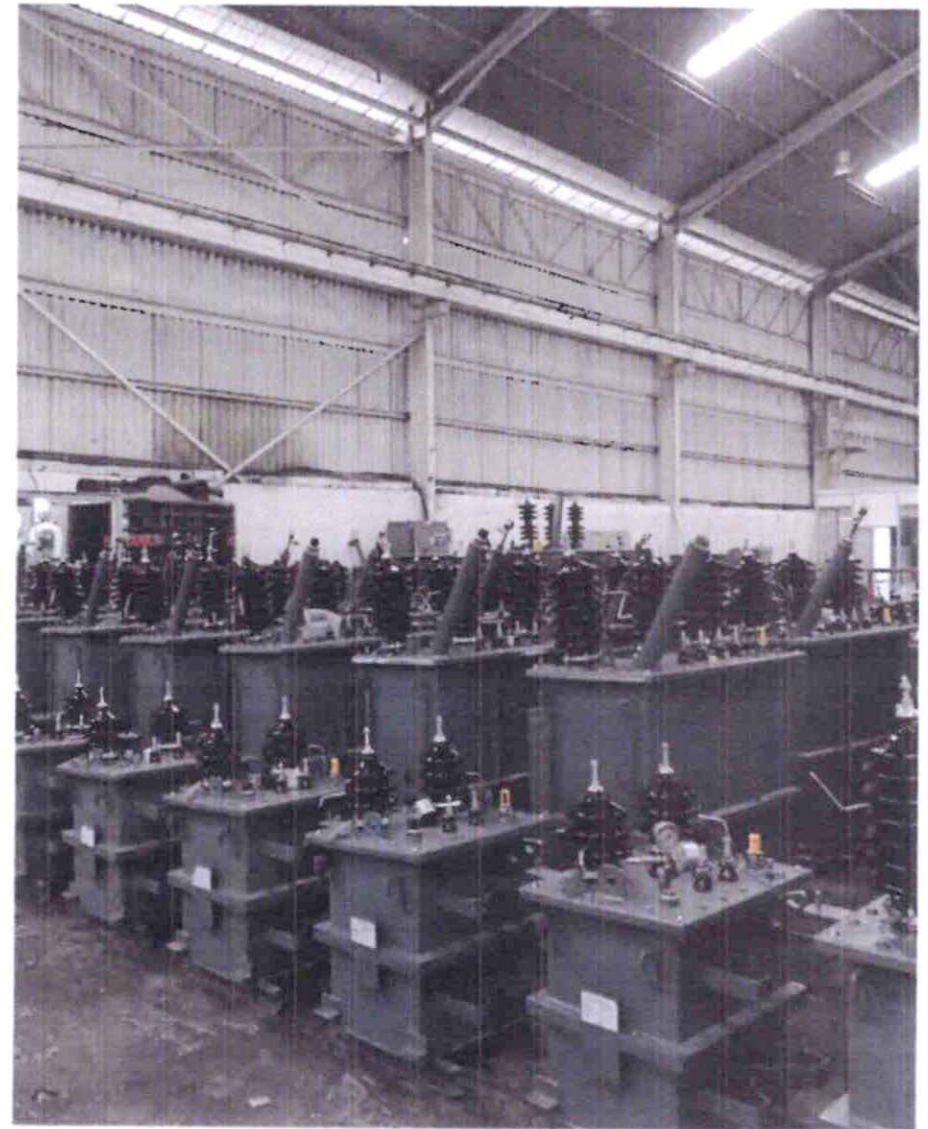


**Pan Africa**  
Transformers & Switchgears Ltd.

*Transforming Power...*

Pan Africa Transformers & Switchgears Ltd. (PATS), established in 2014, is the pioneer manufacturer of transformers & switchgear in Kenya. In addition to having extended its product line, it has also developed a technological, administrative and marketing infrastructure in preparation to compete with some of the finest manufacturers of similar products worldwide. The Company is uniquely focused on becoming the most valued global provider of power & distribution products for utilities and industry in Kenya and the larger East Africa region.

Having a technical collaboration with M/s. Emirates Transformer & Switchgear Ltd, PATS, enjoys the additional benefit of obtaining more information related to technological improvements and market trends from all over the world. It also uses proven designs and technology from its collaborators, who have been supplying transformers in around the world for more than 30 years since 1987.



*Rshytha*

BT

304

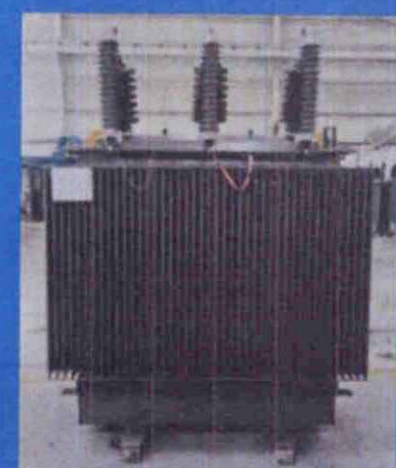
## Transformers



*Bshy*

BT Since our establishment, in 2014, as the pioneer of transformer manufacturing in Kenya, we have grown steadily over the years, gaining much experience in manufacturing, at first, Distribution Transformers and thereafter, moving into, slightly higher rating Power Transformers. Having achieved the status as an accomplished manufacturer of Distribution & Power Transformers up to 1000KVA, 33kV class, PATS has invested much in upgrading its infrastructure to support manufacturing higher rating Transformers in the coming years.

305 The company has executed many prestigious orders for transformers of various ratings for KPLC as follows;



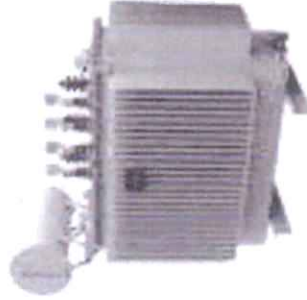
BT

## DISTRIBUTION TRANSFORMERS (Aluminum or Copper Wound)

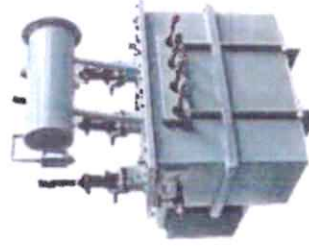
Single Phase Distribution Transformers 10KVA to 50KVA  
(11KV/0.242KV, 33KV/0.242KV Voltage Class)

- a. CRGO - Shell type & Core type Wound Core
- b. CRGO- Stack Core
- c. Amorphous Core Distribution Transformers
- d. BIS certified for Transformers
- Three Phase Distribution Transformers 10KVA to 1000KVA  
(up to 33KV Class)
- a. CRGO - Shell type & Core type Wound Core
- b. CRGO- Stack Core
- c. Amorphous Core Distribution Transformers

## 3PHASE DISTRIBUTION TRANSFORMERS



*Transformer with Corrugation Panel*



*Conventional Type Transformers*

BT

## Other Services

As an independent company, we have dedicated our people, technology, financial resources and manufacturing expertise to add value to our customers' needs. In addition to having extended our product line, we have also developed a technological, administrative and marketing infrastructure that is comparable with some of the finest manufacturers of similar products worldwide. PATS is uniquely focused on becoming one of the most valued local providers of power & distribution products for utilities and industry in the region. We currently have a monthly throughput capacity of 700-800 Transformers.

307

### We manufacture Oil Filled Power Transformers from 25kVA to 1000KVA Class Transformer

- » ONAN/ONAF Rating
- » With On Load Tap Changer(OLTC)
- » With special accessories e.g. Surge Arresters



*Bahy*



BT



*BSL*

## Repair, Overhauling & Testing

At PATS, we will work with you to identify your transformer needs and customize the solution. Once we know your exact requirements, our engineers will quickly recommend the right solution based on your specific needs.



308

Our services are as follows:



### Full testing:

We provide certified test reports based on standards established by the Institute of Electrical and Electronic Engineers (IEEE).



### Repair services:

These services include on-site disassembly, transportation to our facility, indoor un-tanking, inspection, repairing and testing, return delivery to your location, re-assembly, vacuum filling and field testing.



### Reconditioning:

Our technicians replace gaskets, broken bushings and accessories, purify or replace the oil, sand, prime and repaint the unit. When complete, the unit is fully tested.

87

## Future Plans

**New ultra-modern custom-made factory commencing Q1 2019 and ready for operation by Q4 2019 with the following features:**

- Production capacity of 1500 – 2000 transformers per month – Manufacture of switchgears
- Fabrication of transformer tanks
- Core cutting machines
- Installation of new vacuum drying ovens
- Installation of new winding machines to complement the new capacity – Introduction of new product lines including package substations

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*Handwritten signature*

*In anticipation of expected massive connectivity across the region; Kenya, Tanzania, Uganda, Rwanda, Burundi and South Sudan, PATS is focused and investing to meet this demand.*



BT



## Our Contacts

Pan Africa Transformers & Switchgears Ltd (PATs)  
Rolmil Factory Complex, 66 Enterprise Road,  
Industrial Area, Nairobi, Kenya

[info@panafricatranfo.co.ke](mailto:info@panafricatranfo.co.ke)

[www.panafricatranfo.co.ke](http://www.panafricatranfo.co.ke)



## Introduction

Pan Africa Transformers & Switchgears Limited, established in 2014, is the pioneer manufacturer of transformers & switchgear in the Kenya. In addition to having extended its product line, it has also developed a technological, administrative and marketing infrastructure that is comparable with some of the finest manufacturers of similar products worldwide. The Company is uniquely focused on becoming the most valued global provider of power & distribution products for utilities and industry.

Having a technical collaboration with Emirates Transformer & Switchgear Limited, United Arab Emirates, PATS Limited enjoys the additional benefit of obtaining more information related to technological improvements and market trends from all over the world.

We are committed to being a flexible expert supplier regionally. Working alongside the customer, we identify individual needs to ensure we provide the right solutions, whether the customer's main focus is on guaranteed delivery, service, and reduction of Total Cost of Ownership (TCO) or regional supply. Large MEP contractors and Power utility companies rely on our innovative technology, products and services - enabling us to work in true partnership.

Our manufacturing capabilities and our multiple factory back-up strategy mean that we can offer the most suitable solution in terms of production capability, on-time delivery and product quality.

## Our Vision

"To contribute to the infra-structural development of Nations in the field of Power Distribution, which will bring prosperity to the People and to our Stakeholders."

## Our Mission

- To continuously develop, innovate and use latest Technologies & Processes that will help us provide Power Distribution Equipment & Services, meeting International Standards to our Customers.
- To expand and diversify in Newer Markets and Products with Active involvement of All Concerned.
- To Satisfy our Customers.

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## Quality Policy

At PATS, Quality is more than a buzzword, it is a priority! The very essence of its management, manpower, machinery and manufacturing process is to deliver quality. We are an ISO certified company and our QMS follows stringent norms to ensure that quality is produced in processes, product and service.

The **Quality Management Systems (QMS)** of the organization meet the requirements of ISO-9001. Periodically, these are audited by KEMA, The Netherlands, an acclaimed, authorized certifying body of ISO, to ensure that the systems conform to established norms as well as to refine processes and systems. Quality checks on the processes and procedures are conducted as per the established QMS.

The organization belief in continuous improvement is driven by its dedication to having an effective QMS. Furthermore, inputs from Quality Audit, Analysis of Data, Corrective & Preventive Actions, Management Reviews etc., continue to fuel the Company's efforts to refine the QMS.

## Quality Control

Over the years, there has been a shift from conventional concept of the Quality being inspected to the Quality being produced. As such, each individual is responsible for delivering the right quality of output. This is facilitated by:

- Clearly defining the responsibilities and authorities
- Properly identifying the critical Processes, the Process Owners and the Process Measures
- Periodically analyzing critical data, information, and Process results
- Planning effective Corrective and Preventive actions, in a structured manner.

The Quality Control process begins with the receipt of the requirements from Customers and ends with delivering the goods and services to them, exactly as per their requirements. This process covers all the conventional aspects in product realization such as:

- Development & selection of reliable vendors
- Ensuring timely availability of proper resources
- Provision of effective training
- Verification of material, processes, and sub-assemblies
- Testing and inspection of the finished product

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## Integrated Management Systems (IMS Policy)

- Design, Manufacture and Deliver Transformers, Switchgear, Ancillary Products and Services, which consistently meet and exceed customer's requirements and expectations.
- Maintain and continually improve our Integrated Management Systems, so as to ensure conformance to ISO 9001, ISO 14001 and OHSAS 18001 standards.
- Render quality products and services by continuously upgrading our skills, resources and manufacturing processes.
- Maintain a continuous vigil of our process operations with a focus to minimize environmental pollution, conserve utilization of resources and reduce waste.
- Install and continually develop a safe and healthy culture within our organization, thus necessitating the prevention of injury and illness, to employees, contractors, or persons affected by our activities.
- Comply with all legal and other requirements related to Environment, Occupational Health and Safety.
- Impart adequate and ongoing training to all our employees and while doing so empowering them to maintain, manage and develop systems that propagate principles of absolute **Quality**, good **Health**, **Safe** workspace and a pollution-free **Environment**.



*BT*



## The Magnetic Circuit (Core)

PATS specializes in the manufacture and supply of step-lap cut cores & stacked cores. The iron cores are manufactured with cold rolled grain oriented electrical sheet steel having thicknesses of 0.30mm, 0.37mm and 0.23mm. In power transformers, these are also of the HiB variety (including laser-etched material), depending upon the required no-load loss levels. The most economical cross section is achieved by proper selection of particular widths. All our cores are of cruciform section and are of the core type (3 limbs with no outer return paths). The laminations are thinly insulated on both sides, allowing for a good stacking factor for the core.

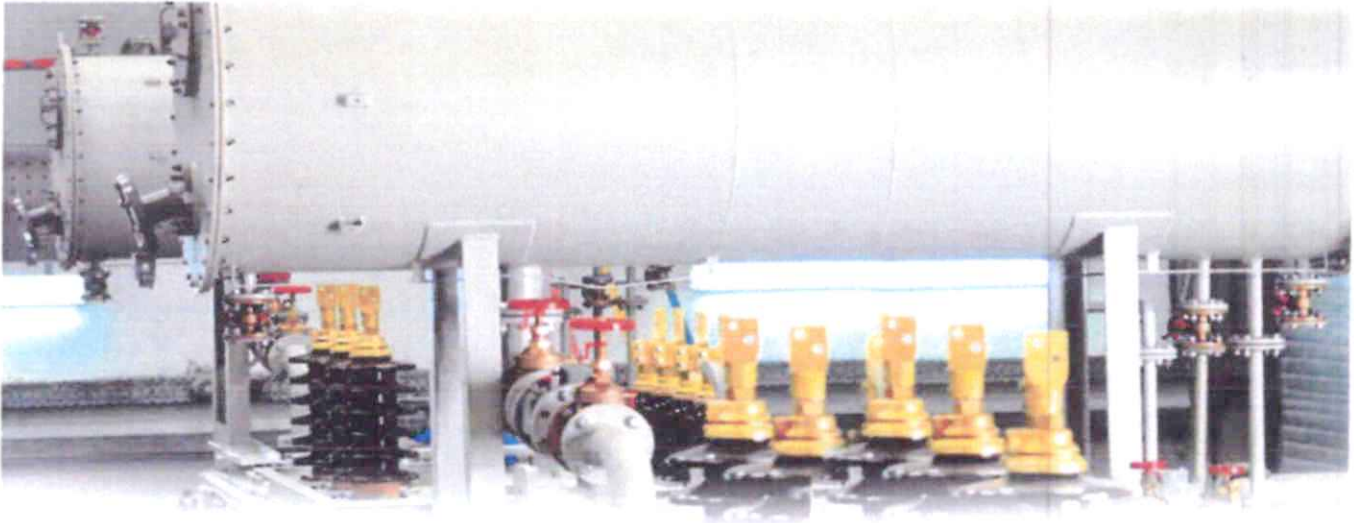
The equipment for cutting comprises multiple fully automatic CNC core cutting machines, supplied by GEORG, Germany. It can handle up to 600mm widths. Laminations are automatically stacked using a brake hammer.

All the cores are mitred and step lap cut which gives a benefit in no-load losses and noise level. For ratings up to 8 MVA, we can have wooden clamping structure made up of compressed resin bonded wood pressure plates and beams. In higher ratings, the clamping structure is a combination of wooden compression rings pressed and held in position by steel clamps. The limbs have no compression bolts (core bolts). In their place, we use glass fibre bonds (tightened insulated bonds). The compression at the ends of the clamping structure is maintained by core end bolts.

The step-lap construction and the holes in the cut core ensure gap free assembly of cores, which results in reduction of Iron losses, magnetizing currents and noise levels. Stacked cores are produced for in-house consumption as well as for exports to clients worldwide. In addition to supplying the GCC market, this also enables the Company's products to meet stringent environmental requirements of the European market.



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## Winding

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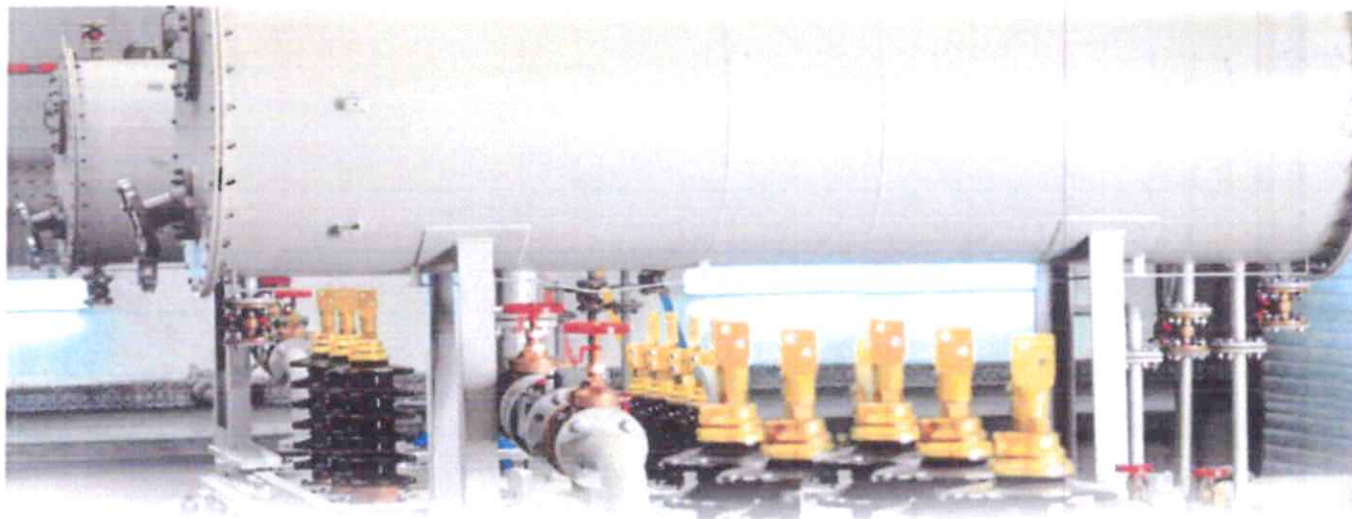
The windings, generally, are cylindrical and are arranged concentrically. The advantages of concentric windings are simplicity, symmetry, good mechanical resistance to short-circuit forces and ease of arrangement of cooling ducts.

Various type of windings made by us are helical winding, layer winding, spiral winding, continuous disc winding and interleaved disc winding. Foil winding is used for high current medium power transformers. Our standard practice is to use a separate tapping winding for transformers with extended range of on-load tapplings (10MVA and above). The outside tapping barrel ensures that the voltage adjustment taps do not upset the ampere-turn balance seriously in any position, as the tapplings are distributed over the entire height of the coils.

Generally, the low voltage coils are wound on an automatic foil-winding machine supplied by Stolberg, Germany. The high voltage coils are wound on microprocessor controlled winding machines. To minimize the forces developed during short circuit, careful attention is paid to the design employed for the coils and the materials used. The prudent selection of insulating material, in addition, prevents radial and axial movements of the conductors and the coils, which usually are the primary contributing factors leading to the failure of the transformers in operation. The LV windings for distribution transformers are made out of Copper Foil or Paper or Enamel insulated Conductor. The HV windings are made of round / rectangular copper conductors insulated by enamel or paper. The inter-layer paper is epoxy diamond dotted paper, to give proper adhesion to the layers. The winding process is carried out in a climatically controlled environment, thereby also eliminating the possibility of ingress of dust.



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## Active Part Assembly

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Coils and cores (built without top yoke) form major inputs to the Active Part Assembly process. Adequate insulation packing is given between LV coils and the core, while lowering. The end insulation is properly adjusted and coordinated to minimize the effects of any surge voltages. The top wooden compression rings are placed in position. This prevents collapse of the coils due to radial forces developed during short circuit. This is followed by top yoke lacing. The top yoke is handled only once, thus contributing to reduction of Iron loss.

Cores are clamped using wooden beams, which also hold the coils firmly, thus eliminating chances of axial movements of the coils. The wooden beam construction also makes the transformer compact and facilitates mounting of tap switch. It provides an added benefit of better insulation in the transformer. Connections to off-circuit switch or on-load tap changer are carried out. The on-load tap changer is either an integral part of the core-coil assembly or it is installed on the outside of the tank, depending upon the type of tap-changer.

Upon completion of all the necessary connections and conducting the quality checks, the active part assemblies are kept ready for further processing.



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## Final Assembly

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The active part assemblies are dried by heating under vacuum, in a PLC (Programmable Logic Controller) driven drying oven. This ensures effective removal of moisture. This is followed by vacuum process, either in special chambers with heating or directly on the tank, for very big transformers. Upon drying of the active part assemblies, the clamping and connections are rechecked and tightened. The completely dried and clamped active assembly is then lowered into the tank.

It is subsequently filled with degasified and filtered oil, under vacuum – to ensure the entire core-coil assembly and the insulating materials are totally in oil. Cooling medium is conventional mineral oil, but depending upon customer requirement can be Midel, Silicone liquid or R-temp. Upon fixing of the fittings and accessories, the transformer is offered for final testing.



*T. S. M. M.*

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**Pan Africa**  
Transformers & Switchgears Ltd.

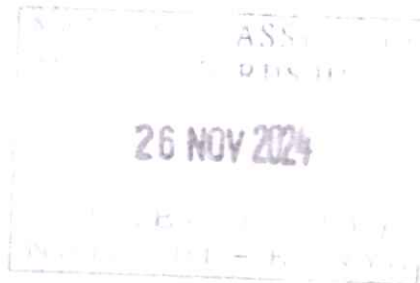


P.O. Box 42776 - 00100, Nairobi - KENYA • Tel: +254 743 794827 • Email: info@panafricatxs.com

26<sup>th</sup> November 2024

Hon. Samuel Njoroge, CBS,  
The Clerk,  
National Assembly of Kenya,  
Parliament Buildings,  
P.O Box 41842 – 00200,  
Nairobi – KENYA.

Received. *[Signature]*  
26/11/24.



Dear Hon. Samuel Njoroge,

**RE: Memorandum to oppose the Tax Laws Amendment Bill 2024**

I Barnabas Kiplagat Boit do write on behalf of Pan Africa Transformers and Switchgear Limited who are local manufacturers of transformers to vehemently oppose the Tax Amendment Bill 2024, for the following reasons:

1. I am a Kenyan citizen of sound mind and qualified to put this petition before Parliament on behalf of the Pan Africa Transformers and Switchgear Limited, of which I am part of.
2. That We were not consulted before the intended changes were published and as stakeholders it will adversely affect our business and it flies on the face of the Constitution of Kenya 2010, Article 118 that requires Parliament to facilitate public participation in its business and the business of its committees. It further requires that Parliament must hold its sittings in public. The public can participate in the legislative process as individuals or as legally recognized groups and no one should be excluded.
3. That the Bill also flies on the face of Kenya Government policy on Vision 2030 of 'Buy Kenya, Build Kenya' and supporting local manufacturers.
4. That we are not opposed to a 25 % tax on imported fully manufactured transformers but are opposed to the imposition of a 25% tariff on transformer parts and raw materials.



**Pan Africa**  
Transformers & Switchgears Ltd.



P.O. Box 42776 - 00100, Nairobi - KENYA • Tel: +254 743 794827 • Email: info@panafricatxs.com

5. That Pan Africa Transformers and Switch Gears Ltd in this Financial Year alone paid to KENYA Revenue Authority (KRA), which your good office can confirm, a total of 462,271,960 (Four Hundred and Sixty-Two Million Two Hundred and Seventy-One Thousand Nine Hundred and Sixty Shillings) in taxes.
6. That it would be punitive for us to pay an additional 25% duty on imported raw materials and transformer parts
7. That we request your good office to exempt the transformer parts and raw materials and remove The HS 8504.90.00 Code from the new proposed tariff regime
8. That it should be the intention of Government to support local manufacturers by not enacting punitive measures that stifle the growth of local manufacturing and creative opportunities and wealth for other countries
9. That, as is the practice of modern-day manufacturing, manufactures source cheaply available raw materials from different parts of the World and to be able manufacture at the lowest cost to reduce Consumer Price Index and mitigates runaway inflation to help soar aggregate demand in the economy
10. That we expect your good office to reconsider their decision to impose duty and tariffs on imported raw materials as it negates the government policy on promoting local manufacturing

Yours Faithfully,

**Barnabas Kiplagat Boit**  
On Behalf of Pan Africa Transformers and Switchgears Ltd.

November 26<sup>th</sup>, 2024



KENYA REVENUE  
AUTHORITY

ISO 9001:2015 CERTIFIED

CONFIDENTIAL

CUSTOMS & BORDER CONTROL DEPARTMENT

KRA/C&BC/BIA/THQ/APPEAL/164/02/2025

7<sup>th</sup> February 2025

The Director(s)  
Pan Africa Transformers and Switchgears Limited.  
PIN: P051508280Z  
P.O BOX 58338- 00200  
**NAIROBI**



Dear Sir/Madam,

**REVIEW OF TARIFF CLASSIFICATION FOR 1000KVA 3 PHASE 33KV  
CRGO CORE ALUMINIUM WOUND TRANSFORMER- WITHOUT OIL;  
ENTRY 24EMKIM401304567**

We refer to your letter Ref: PATS/FD/101 dated 8<sup>th</sup> January 2025 (received on 9<sup>th</sup> January 2025) appealing the tariff classification clarification of the electrical equipment described as 1000KVA 3 Phase 33KV CRGO Core Aluminium Wound Transformer- without oil. We also wish to refer to the manufacture process verification at your factory along Enterprise Road, conducted on 21<sup>st</sup> January 2025.

The 1000KVA 3 Phase 33KV CRGO Core Aluminium Wound Transformer- without oil, was initially classified in 2022 EAC/ CET HS Code 8504.22.00, as per ruling ref: KRA/C&BC/BIA/THQ/800/01/2025, dated 7<sup>th</sup> January 2025.

As we await other processes of facilitating importation of your equipment subject to the defines of the finance bill, we wish to affirm that the 1000KVA 3 Phase 33KV CRGO Core Aluminium Wound Transformer- without oil, is classified in 2022 EAC/CET HS Code 8504.22.00, as guided by GIRs 1, 2(a) & 6.

In this regard, our initial tariff classification of the 1000KVA 3 Phase 33KV CRGO Core Aluminium Wound Transformer- without oil, in HS Code 8504.22.00, as issued vide ruling ref: KRA/C&BC/BIA/THQ/800/01/2025, is hereby upheld.

This tariff classification is based on information available on the product, and does not absolve the importer from any liability that may arise at the time of importation, Customs verification and clearance of goods.



# KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

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Kindly note that this ruling shall be upheld in case of any other contradictory tariff ruling issued prior to this.

For any further clarification or queries, kindly contact us by sending an email to [TariffHQ@kra.go.ke](mailto:TariffHQ@kra.go.ke) or reach us on the following telephone contacts: 0709013040/0709017137.

Bernard Oyicho

**FOR: COMMISSIONER OF CUSTOMS AND BORDER CONTROL**

CC: Cargolog (e.a) Limited  
PIN: P051367664Q  
P.O Box 40621- 80100  
**MOMBASA**

Deputy Commissioner, Revenue & Regional Coordination

Deputy Commissioner, Risk Management Division

Chief Manager – Port Operations

Chief Manager – CFS Operations

Chief Manager – RMU

Chief Manager – NCS

Chief Manager – Profiling & Targeting

Chief Manager – ICDN

Manager – V&T Southern Region

Manager – V&T ICDN

Manager – V&T NCS





# Kenya Association of Manufacturers

This is to Certify that

Pan Africa Transformers and Switchgears Limited  
is a member of KAM and subscribes to the values  
enshrined in the Association's Code of Ethics.

**Validity: January to December 2025**

A handwritten signature in black ink, appearing to be 'G. M. M. M.', written over a blue horizontal line.

Chief Executive

A handwritten signature in black ink, appearing to be 'J. M. M.', written over a blue horizontal line.

Chairman



Membership No.                     KAM-13-04-75



KENYA REVENUE  
AUTHORITY

## Tax Compliance Certificate

For General Tax Questions  
Contact KRA Call Centre  
Tel: +254 (020) 4999 999  
Cell: +254(0711)099 999  
Email: callcentre@kra.go.ke

[www.kra.go.ke](http://www.kra.go.ke)

**Taxpayer PIN :** P051508280Z

**Certificate Date:** 01/12/2024

**Name and Address :**

Pan Africa Transformers And Switchgears Limited  
12473, Rolmil Factory Complex, NAIROBI, Dagoreti District,  
PO Box:42776,  
Postal Code:00100

**Certificate Number:**

KRAMTO1442196224



**This is to confirm that Pan Africa Transformers And  
Switchgears Limited,  
Personal Identification Number P051508280Z  
has filed relevant tax returns and  
paid taxes due as provided by Law.**

**This Certificate will be valid for  
eleven (11) months up to 30/11/2025.**

**Caveat** This certificate is issued on the basis of information available with the authority as at the certificate date mentioned above. The Authority reserves the right to withdraw the certificate if new evidence materially alters the tax compliance status of the recipient.

**Disclaimer :** This certificate is system Generated and therefore does not require signature. You may confirm validity of this certificate on the iTax Portal by using the TCC Checker. This certificate confirms your compliance status for a period of five years preceding the date of issue. The certificate may however be with withdrawn on grounds of outstanding debt affecting periods prior to this.



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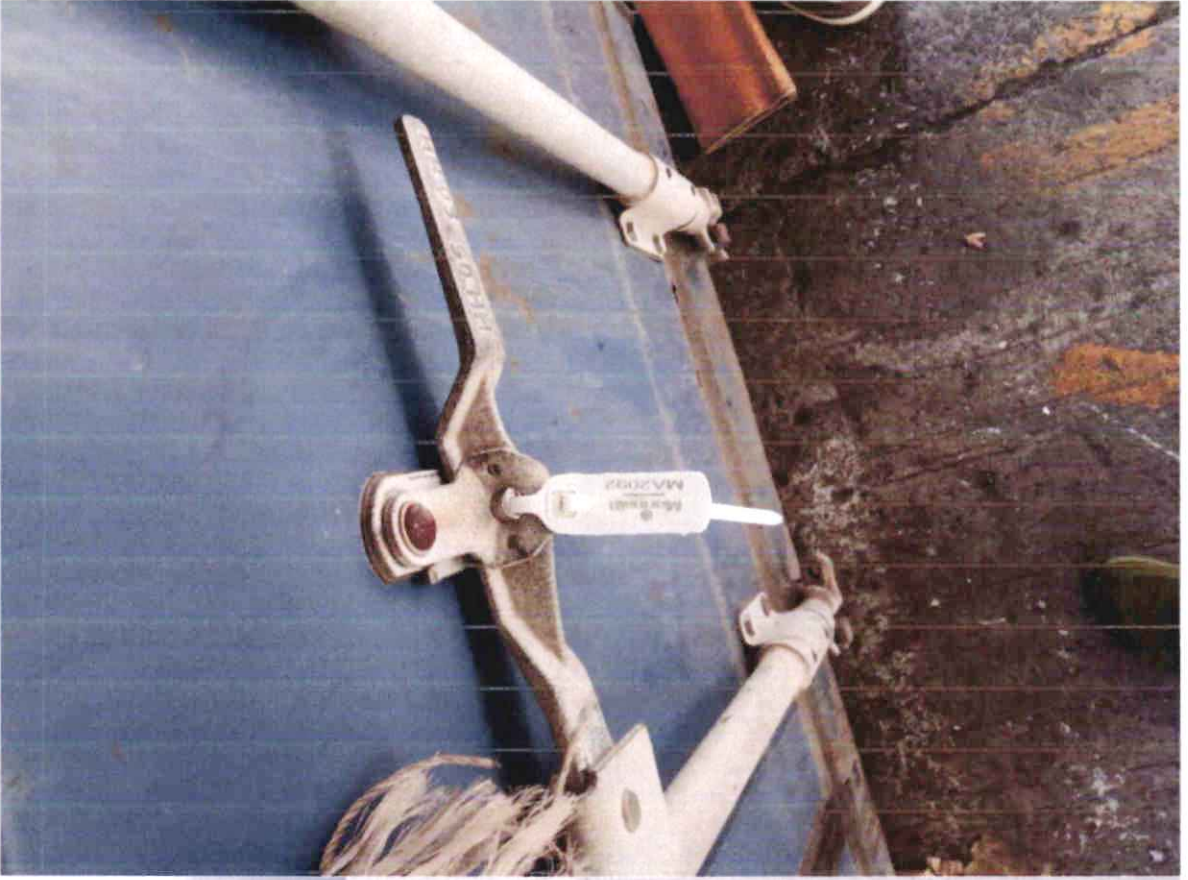
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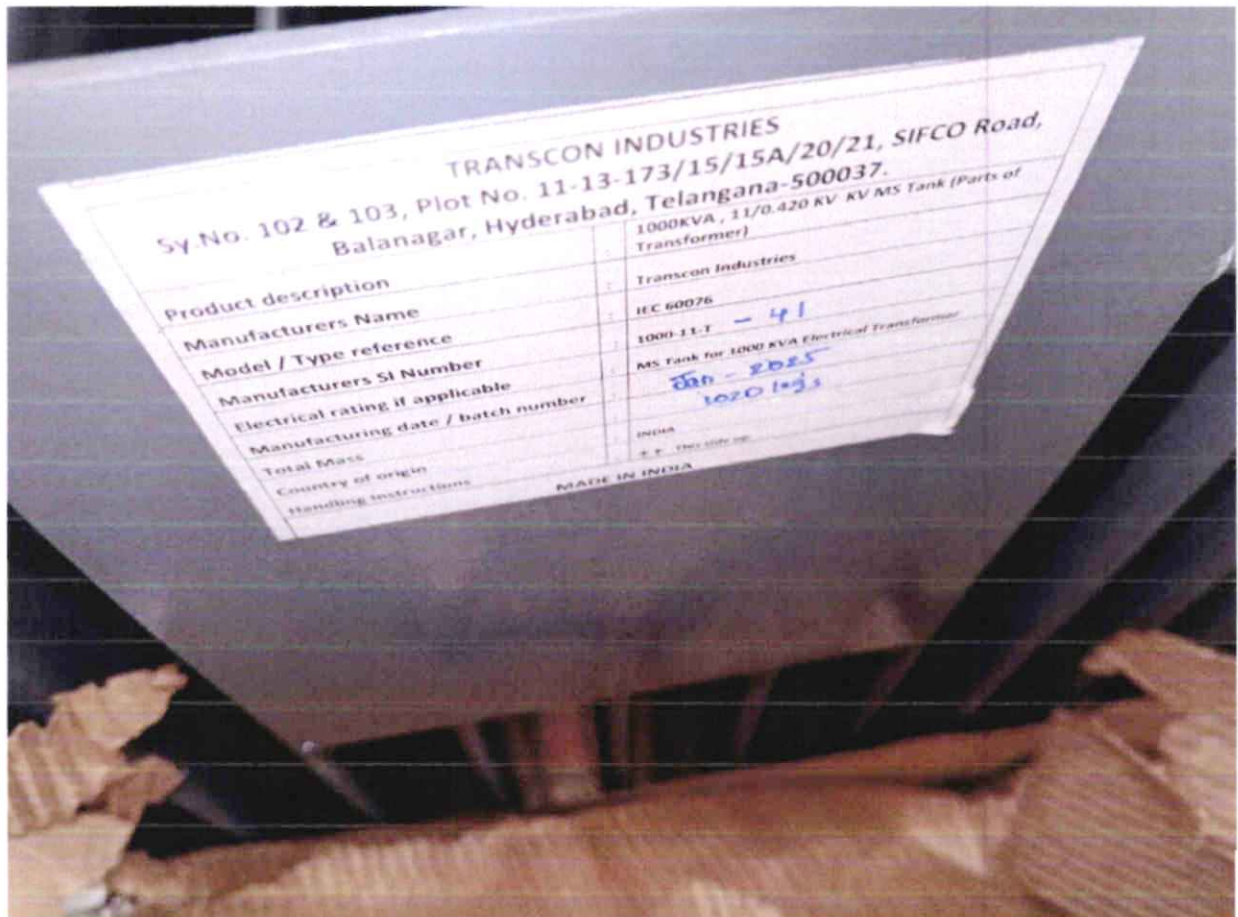
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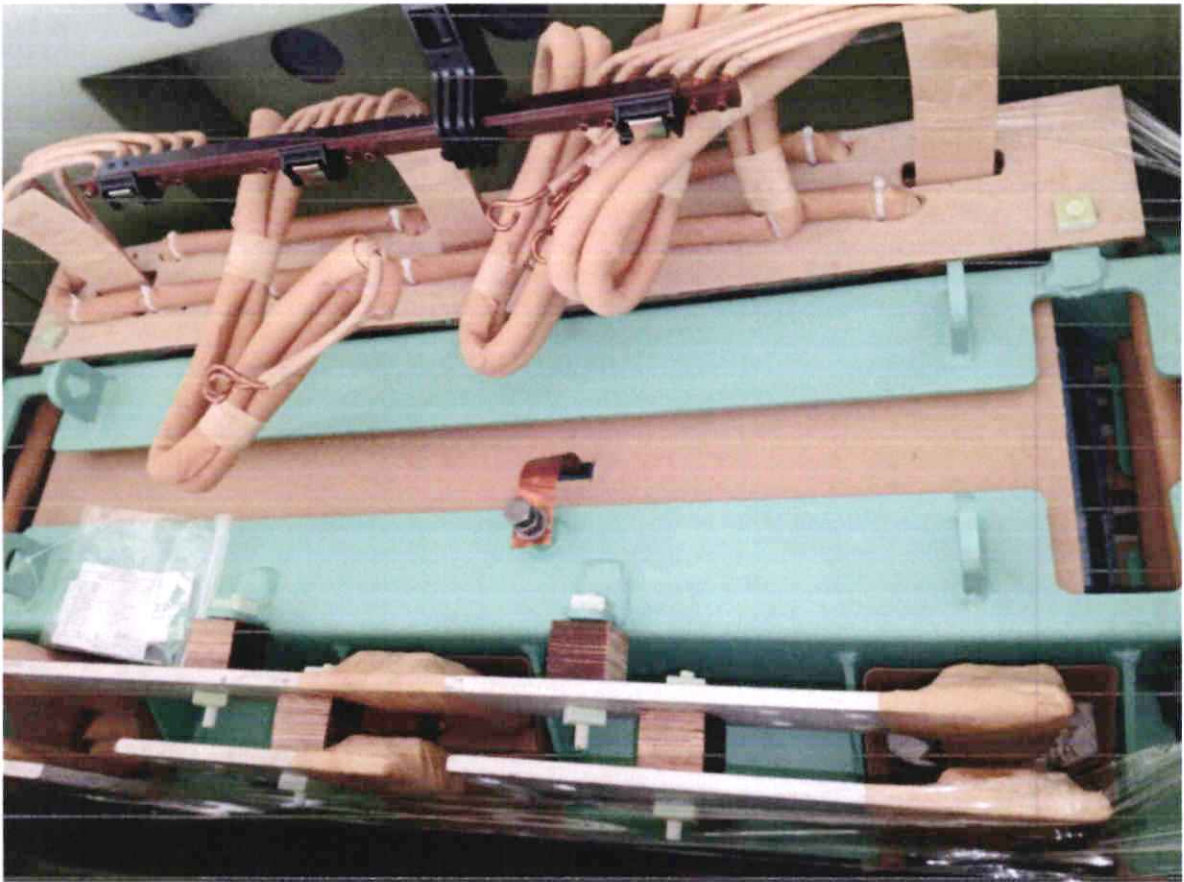
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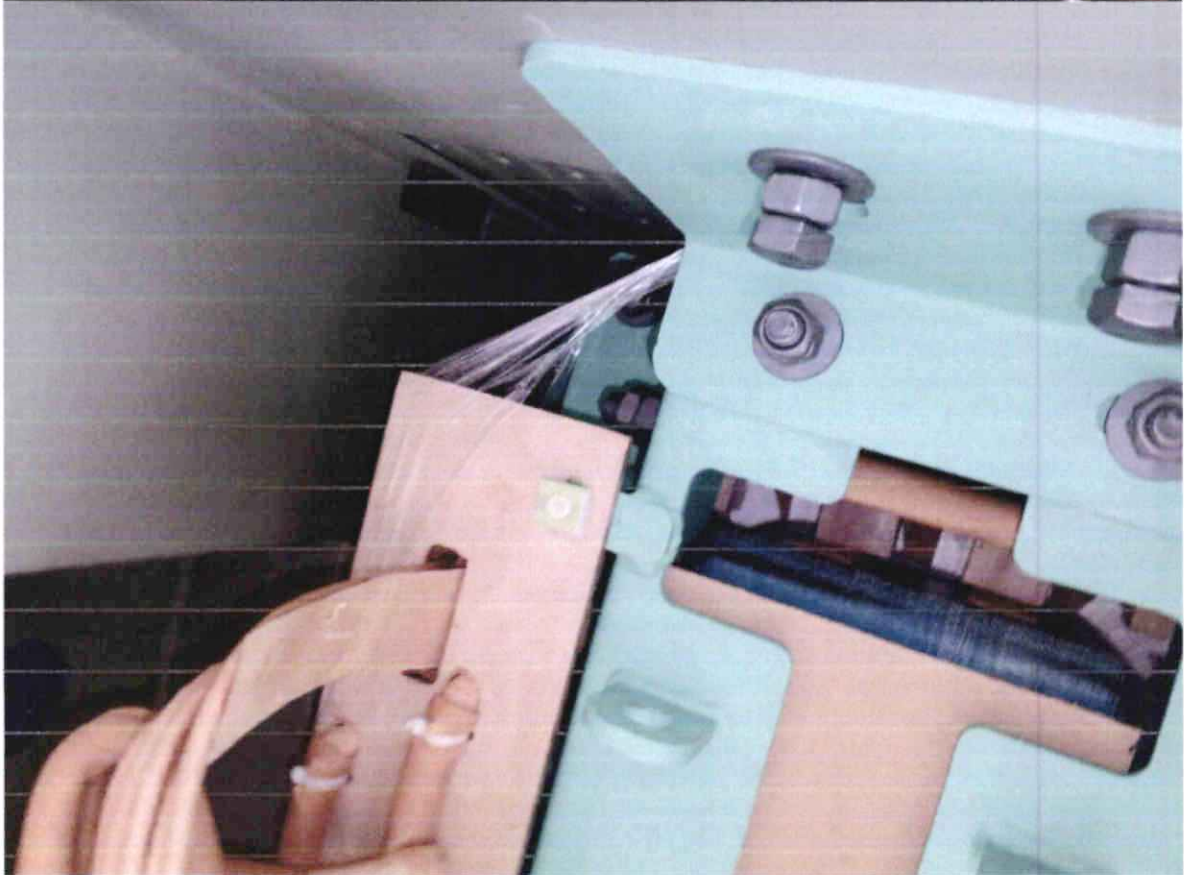
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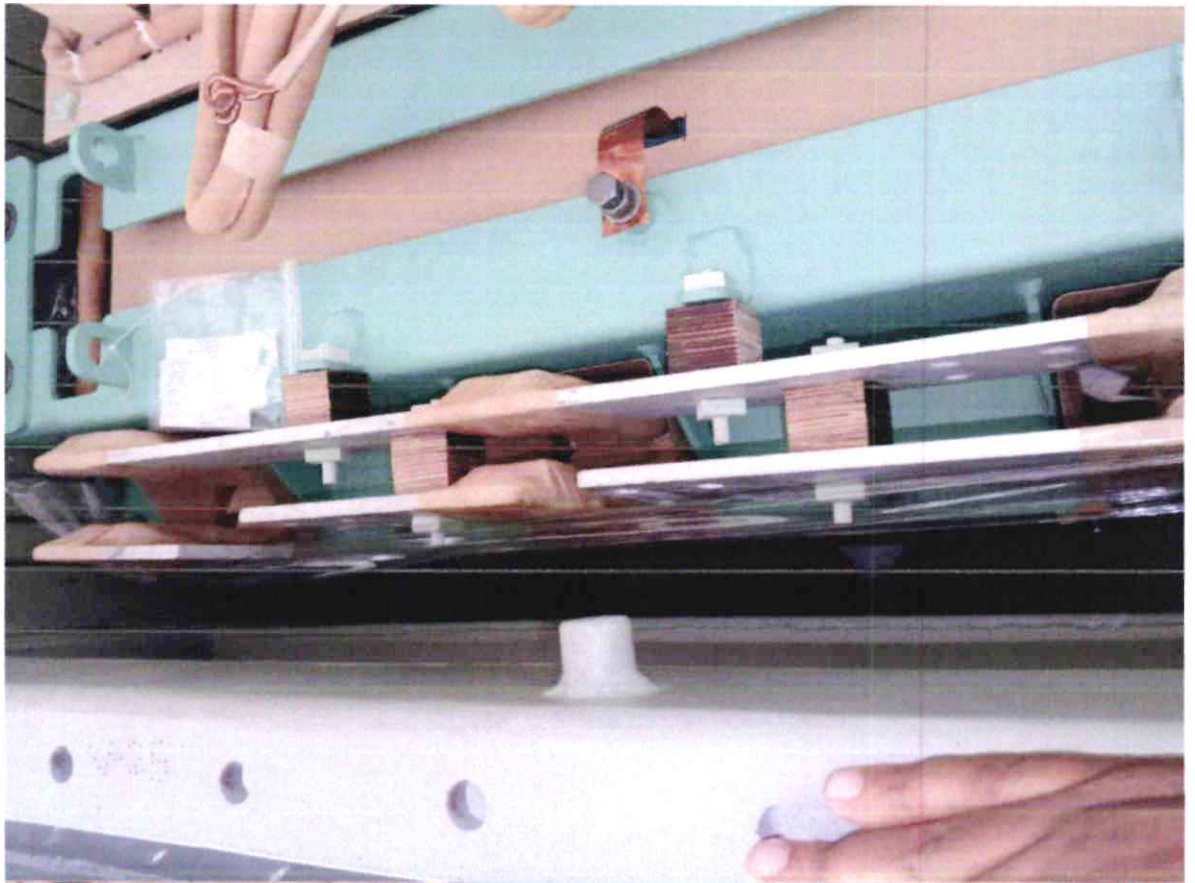
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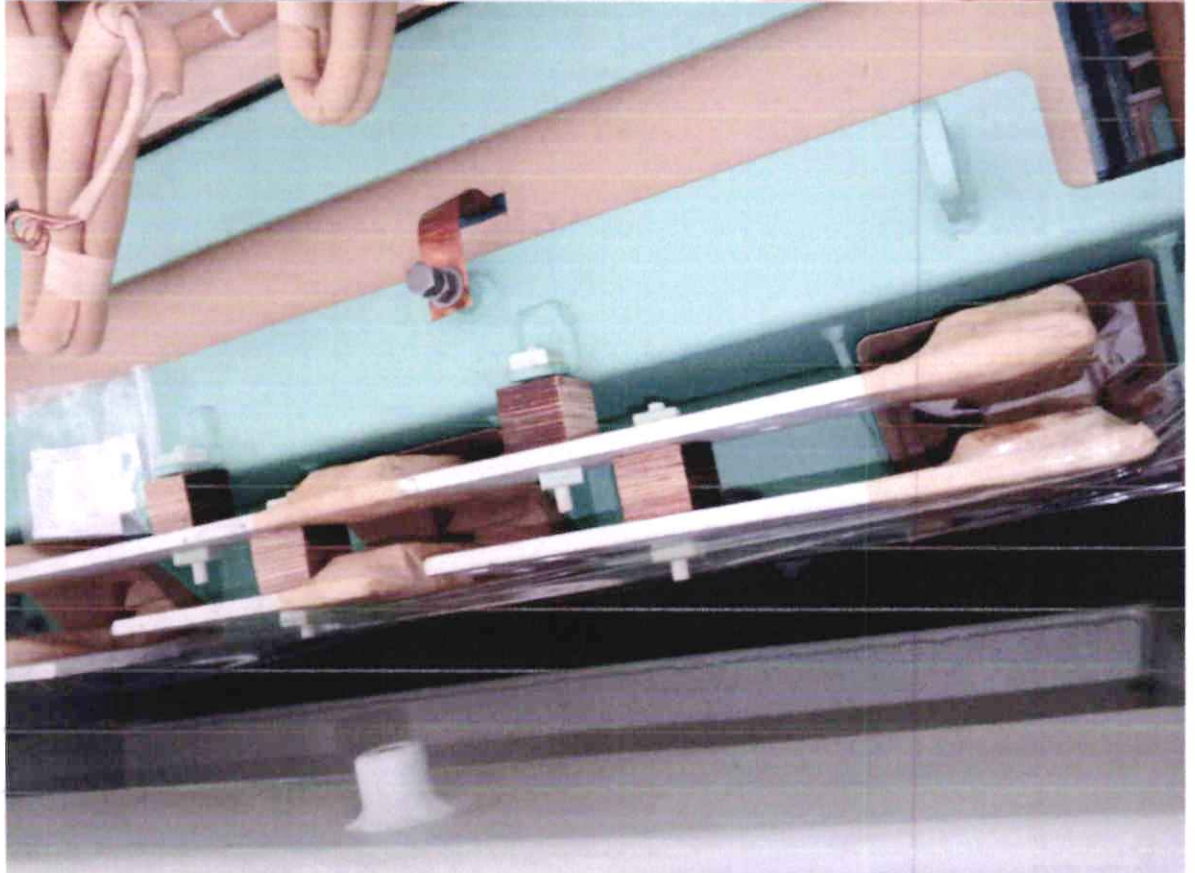
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VIEWS ON THE EXCISE DUTY (AMENDMENT) BILL, 2025

No	Clause	Proposal	Justification
1.	Amendment of the First Schedule to Cap. 472	We propose that the Excise Duty imposed on imported fully assembled electric transformers and their parts, as outlined in tariff codes <b>8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, and 8504.34.00</b> , to be completely scrapped, to ensure affordability and accessibility.	<p>The imposition of a 25% excise duty on transformers and their parts has significantly increased the cost of electricity infrastructure, slowing down electrification projects and industrial growth. Removing the duty will reduce costs, encourage investment in the energy sector, and support Kenya's development agenda.</p> <p><b>Cost Reduction for the Energy Sector</b> – Eliminating the 25% excise duty on transformers and parts will lower the cost of acquiring transformers, leading to reduced electricity distribution costs.</p> <p><b>Boosting Local Manufacturing and Assembly</b> – Removing excise duty will create an enabling environment for local transformer assembly plants, minimizing reliance on costly imported transformers.</p> <p><b>Lowering Consumer Electricity Costs</b> – Reducing costs for power infrastructure will ultimately translate to lower electricity tariffs for consumers.</p>