

*Excise Duty*

## FIRST SCHEDULE

[Section 5 (2), Act No. 38 of 2016, Act No. 11 of 2017, Sch., Act No. 15 of 2017, s. 5.]

**RATES OF EXCISE DUTY**

1. Subject to paragraph 2, the rates of excise duty on excisable goods are as setout in the following table:

## PART I — EXCISABLE GOODS

<i>Tariff No.</i>	<i>Tariff Description</i>	<i>Rate</i>
2709.00.10	Condensates per 10001 @ 20degC	Shs. 6,225.00
2710.12.10	Motor Spirit (gasoline) regular per 10001 @20degC	Shs. 19,505.00
2710.12.20	Motor Spirit (gasoline) premium per 10001 @ 20degC	Shs. 19,895.00
2710.12.30	Aviation Spirit per 10001@ 20degC	Shs. 19,895.00
2710.12.40	Spirit type Jet Fuel per 10001 @ 20degC	Shs. 19,895.00
2710.12.50	Special boiling point spirit and white spirit per 10001 @ 20degC	Shs. 8,500.00
2710.12.90	Other light oils and preparations Per 10001 @ 20degC	Shs. 8,500.00
2710.19.10	Partly refined (including topped crude) per 10001 @ 20degC	Shs. 1,450.00
2710.19.21	Kerosene type Jet Fuel Per 10001 @ 20degC	Shs. 5,755.00
2710.19.22	Illuminating kerosene	Shs. 7,205 per 1000 litres @ 20 degrees centigrade
2710.19.29	Other medium oils and preparations per 10001@ 20degC	Shs. 5,300.00
2710.19.31	Gas oil (automotive, light, amber for high speed engines) per 10001 @ 20degC	Shs. 10,305.00
2710.19.32	Diesel oil (industrial heavy, black, for low speed marine and stationery engines) per 10001 @ 20degC	Shs. 3,700.00
2710.19.39	Other gas oils per 10001 @ 20degC	Shs. 6,300.00

*Excise Duty*

2710.19.41	Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 125 centistokes per 10001 @ 20degC	Shs. 300.00
2710.19.42	Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 180 centistokes Per 10001 @ 20degC	Shs. 600.00
2710.19.43	Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 280 centistokes per 10001 @ 20degC	Shs. 600.00
2710.19.49	Other residual fuels oils per 10001@ 20 degC	Shs. 600.00

<i>Description</i>	<i>Rate of Excise Duty</i>
Fruit juices (including grape must), and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	Shs. 10 per litre
Food supplements	10%
Cosmetics and Beauty products of tariff heading No. 3303, 3304, 3305 and 3307	10%
Waters (excluding water of tariff No. 2201.90.00) and other non-alcoholic beverages not including fruit or vegetable juices	Shs. 5 per litre
Beer, Cider, Perry, Mead, Opaque beer and mixtures of fermented beverages with non-alcoholic beverages and spirituous beverages of alcoholic strength not exceeding 10%	Shs. 100 per litre
Powdered beer	Shs. 100 per kg
Wines including fortified wines, and other alcoholic beverages obtained by fermentation of fruits	Shs. 150 per litre
Spirits of undenatured ethyl alcohol; spirits liqueurs and other spirituous beverages of alcoholic strength exceeding 10%	Shs. 200 per litre
Cigars, cheroots, cigarillos, containing tobacco or tobacco substitutes	Shs. 10,000 per kg
Electronic cigarettes	Shs. 3,000 per unit
Cartridge for use in electronic cigarettes	Shs. 2,000 per unit
Cigarette with filters (Hinge lid and soft cap)	Shs. 2,500 per mille
Cigarettes without filters (plain cigarettes)	Shs. 1,800 per mille

*Excise Duty*

Other manufactured tobacco and manufactured tobacco substitutes; "homogenous" and "reconstituted tobacco"; tobacco extracts and essences	Shs. 7,000 per kg
Motor vehicles excluding locally assembled motor vehicles and school buses for use by public schools of tariff heading 87.02, 87.03 and 87.04	20%
Motor cycles of tariff 87.11 other than motor cycle ambulances and locally assembled motor cycles	Shs. 10,000 per unit
Plastic shopping bags	Shs. 120 per kg

[Act No. 38 of 2016, s. 24, Act No. 11 of 2017, Sch., Act No. 15 of 2017, s. 5(a)(i) & (ii).]

2. (1) The specific rates of excise duty on excisable goods specified in this Schedule shall be adjusted for inflation every two years in accordance with this paragraph.

(2) Each rate of excise duty specified in column 2 of the table in paragraph 1 shall be replaced by the rate of excise duty computed by reference to the following formula— **A (1 + B)** where —

- A is the rate of excise duty on the day immediately before the adjustment day; and
- B is the adjustment factor for the adjustment day, calculated as the average rate of monthly inflation of the preceding financial year.

[Act No. 38 of 2016, s. 24(g), Act No. 15 of 2017, s. 5(a)(iii).]

## PART II — EXCISABLE SERVICES

1. Mobile cellular phone services shall be charged excise duty at the rate of ten percent of their excisable value.
2. Other wireless telephone services shall be charged excise duty at the rate of ten percent of their excisable value.
3. Excise duty on fees charged for money transfer services by cellular phone service providers, banks, money transfers agencies and other financial service providers shall be ten percent of their excisable value.
4. Excise duty on other fees charged by financial institutions shall be ten percent of their excisable value.

## PART III — INTERPRETATION OF SCHEDULE

In this Schedule—

“**Adjustment day**” means 1st day of July of every year;

“**beer**” includes ale, porter, and any other description of beer and any liquor, including beer substitute, which is produced as a result of the alcoholic fermentation of an extract derived from barley, malt, a cereal grain, starch or saccharine matter and hops or hops substitute, in potable water with other substitute ingredients and which contains more than two per centum of proof spirit, but does not include—

- (a) any beer brewed by any person for personal consumption and which is not offered for sale; or
- (b) any kind of beer that, by order of the Cabinet Secretary, is excluded from the provisions of this Act;

“**cigar**” means cigar, cheroot or cigarillo prepared from tobacco or tobacco substitutes;

“**cigarette**” means —

- (a) rolls of tobacco capable of being smoked as they are and which are not cigars or cigarillos;
- (b) rolls of tobacco which, by simple non-industrial handling, are inserted into cigarette-paper tubes; or
- (c) rolls of tobacco that, by simple non-industrial handling, are wrapped in cigarette paper;

“**cigarillos**” means —

- (a) rolls of tobacco made entirely of natural tobacco; or
- (b) rolls of tobacco with an outer wrapper of natural tobacco;

“**electronic cigarettes**” means electronic nicotine delivery system whether or not containing tobacco or tobacco substitutes and includes electronic cigarette cartridges;

“**financial institution**” means —

- (a) a person licensed under—
  - (i) the Banking Act;
  - (ii) the Insurance Act;
  - (iii) the Central Bank of Kenya Act; or
  - (iv) the Micro Finance Act, 2006;
- (b) a Sacco society registered under the Sacco Societies Act, 2008; or
- (c) the Kenya Post Office Savings Bank established the Kenya Post Office Savings Bank Act;

“**financial year**” means the period of twelve months ending on the 30<sup>th</sup> June of every year;

“**other fees**” includes any fees, charges or commissions charged by financial institutions relating to their licensed financial institutions, but does not

---

*Excise Duty*

---

include interest on loan or return on loan or an insurance premium or premium based or related commissions;

“**inflation**” means the average annual inflation rate in a financial year;

“**money transfer services**” includes services of sending and withdrawal of money;

“**powdered beer**” means any powder, crystals or any other dry substance which, after being mixed with water or any other non-alcoholic beverage, ferments to, or otherwise becomes an alcoholic beverage;

“**proof**” means a standard of strength of distilled alcoholic liquors (or of vinegar);

“**proof spirit**” means spirit that at a temperature of 10.55 degrees Centigrade weighs 12/13<sup>th</sup> of an equal volume of distilled water at the same temperature;

“**rate of monthly inflation in each month**” means the movement in the consumer price index number published by the Kenya National Bureau of Statistics for that month when compared to the same month in the preceding year;

“**financial year**” means the period of twelve months ending on the 30<sup>th</sup> June of every year;

“**wine**” means a liquor of a strength not exceeding 50 degrees of proof that is made from fruit and sugar or from fruit and sugar mixed with any other material and which has undergone a process of fermentation and includes mead.

[Act No. 11 of 2017, Sch., Act No. 15 of 2017, s. 5(b).]

---

## SECOND SCHEDULE

[Section 7(1)(a), Act No. 38 of 2016, Act No. 15 of 2017.]

### PART A — EXEMPT EXCISABLE GOODS

The following excisable goods shall be exempt from excise duty when purchased before clearance through Customs or removal from excise control—

1. Excisable goods that are *bona fide* stores for a ship or aircraft, being goods for use or consumption by passengers or crew of the ship or aircraft while on board and while the ship is in international traffic, and in such quantities as approved by the Commissioner.

2. Excisable goods imported into Kenya or purchased in Kenya by a diplomatic or consular mission, or by a diplomat or consul, or a member of the diplomat or consul's family forming part of the diplomat or consul's household in Kenya to the extent provided for under the Privileges and Immunities Act, (Cap. 179).

3. Excisable goods imported into Kenya or purchased in Kenya by a foreign government, international organisation, or aid agency to the extent provided for under an international agreement or the Privileges and Immunities Act, 1970.

4. One motor vehicle for use by persons with disability:

---

*Excise Duty*

---

Provided that exemption under this paragraph shall only apply once in every four years and upon payment of taxes on the previous vehicle.

5. Excisable Goods imported or Purchased locally by the Kenya Red Cross or St John Ambulance for official use in the provision of relief services in Kenya.

[Act No. 15 of 2017, s. 6(a).]

6. Excisable goods imported by a person changing residence or a returning resident subject to limitations provided for under the fifth schedule to the East African Community Management Act:

Provided that where the returning resident has owned and used a left hand drive vehicle for at least twelve months the person may sell the vehicle and import a right hand drive vehicle whose current retail selling price shall not exceed that of the previously owned left-hand drive vehicle, subject to the following—

- (a) proof of ownership and use of the previously owned left hand drive vehicle in the country of former residence for a period of at least one year prior to the return;
- (b) proof of disposal (transfer of ownership) of the previously owned left hand drive vehicle before changing residence.
- (c) *deleted by Act No. 15 of 2017, s. 6(b)(ii)*;
- (d) This proviso shall only apply to residents returning from countries that operate left hand drive motor vehicles.

[Act No. 15 of 2017, s. 6(b).]

7. Excisable goods imported by, and in the possession of a passenger subject to limitations provided for under the fifth schedule to the East African Community Management Act.

8. One motor vehicle previously owned and used by a deceased person outside Kenya subject to the conditions as the Commissioner may specify.

In this Part, "**international agreement**" means an agreement between the Government of Kenya and a foreign government, international organization, or aid agency for the provision of financial, technical, humanitarian, or administrative assistance to the Government of Kenya.

9. Excisable goods imported or purchased locally for direct and exclusive use in the implementation of an Official Aid-Funded Project, to the extent provided for under the financing agreement.

[Act No. 38 of 2016, s. 25.]

10. Excisable goods imported or purchased locally for direct use in the manufacture of sanitary towels.

[Act No. 38 of 2016, s. 25, Act No. 15 of 2017, s. 6(c).]

11. All goods including materials supplies, equipment, machinery and motor vehicles for the official use by the Kenya Defence Forces and the National Police Service.

[Act No. 38 of 2016, s. 25.]

---

PART B — EXEMPT EXCISABLE SERVICES

1. The following excisable services shall be exempt from excise duty—
    - (a) Excisable services supplied in Kenya to a diplomatic or consular mission or to a diplomat or consul, or a member of the diplomat or consul's family forming part of the diplomat or consul's household in Kenya to the extent provided for under the Privileges and Immunities Act (Cap. 179).
    - (b) Excisable services supplied in Kenya to a foreign government, international organisation, or aid agency to the extent provided for under an international agreement or the Privileges and Immunities Act (Cap. 179).
  2. In this Part, "**international agreement**" means an agreement between the Government of Kenya and a foreign government, international organization, or aid agency for the provision of financial, technical, humanitarian, or administrative assistance to the Government of Kenya.
-

