

FIRST SCHEDULE

[Section 2(1), Act No. 7 of 2014, s. 2, Act No. 16 of 2014, s. 28, Act No. 14 of 2015, s. 5,, Act No. 24 of 2016, s. 2, Act No. 38 of 2016, s. 30, Act No. 11 of 2017, Act No. 15 of 2017, s.9]

PART I – GOODS

EXEMPT SUPPLIES

SECTION A

The supply or importation of the following goods shall be exempt supplies

1. Bovine semen of tariff No. 0511.10.00.
2. Fish eggs and roes of tariff No. 0511.91.10.
3. Animal semen other than bovine of tariff No. 0511.99.10.
4. Soya beans, whether or not broken of tariff Nos. 1201.10.00 and 1201.90.00
5. Groundnuts, not roasted or otherwise cooked, in shell of tariff No. 1202.41.00.
6. Groundnuts, not roasted or otherwise cooked, shelled, whether or not broken of tariff No. 1202.42.00.
7. Copra of tariff No. 1203.00.00.
8. Linseed, whether or not broken of tariff No. 1204.00.00
9. Low erucic acid rape or colza seeds of tariff No. 1205.10.00.
10. Other rape or colza seeds of tariff No. 1205.90.00.
11. Sunflower seeds, whether or not broken of tariff No. 1206.00.00.
12. Cotton seeds, whether or not broken of tariff Nos. 1207.21.00 and 1207.29.00.
13. Sesamum seeds, whether or not broken of tariff No. 1207.40.00.
14. Mustard seeds, whether or not broken of tariff No. 1207.50.00.
15. Safflower seeds, whether or not broken of tariff No. 1207.60.00.
16. Other oil seeds and oleaginous fruits, whether or not broken of tariff No. 1207.99.00.
17. Pyrethrum flower of tariff No. 1211.90.20.

17A. Sugarcane of tariff No. 1212.93.00.

[Act No. 7 of 2014, s. 2(a)(ii).]

17B. Unprocessed produce of plant species *camellia sinensis*.

[Act No. 7 of 2014, s. 2(a)(ii).]

18. Live Animals of Chapter 1.

19. Meat and edible meat offals of chapter 2 excluding those of tariff heading 0209 and 0210.

20. Fish and crustaceans, molluscs and other aquatic invertebrates of Chapter 3 excluding those of tariff heading 0305, 0306 and 0307.

21. Unprocessed milk.

22. Fresh birds eggs in shell.

23. Edible Vegetables and certain roots and tubers of Chapter 7, excluding those of tariff heading 0711.

24. Edible fruits and nuts, peel of citrus fruits or melon of Chapter 8 excluding, those of tariff heading 0811, 0812, 0813 and 0814.

25. Cereals of Chapter 10, excluding seeds of tariff heading 1001, 1002 and 1003.

26. Fertilisers of Chapter 31.

27. Plants and machinery of Chapter 84 and 85.

28. Maize (corn) seed of tariff no. 1005.10.00.

29. Taxable supplies, excluding motor vehicles, imported or purchased for direct and exclusive use in the construction of a power generating plant, by a company, to supply electricity to the national grid approved by Cabinet Secretary for National Treasury upon recommendation by the Cabinet Secretary responsible for energy.

30. Taxable supplies, excluding motor vehicles, imported or purchased for direct and exclusive use in geothermal, oil or mining prospecting or exploration, by a company granted prospecting or exploration license in accordance with Geothermal Resources Act ([Cap. 314A](#)), production sharing contracts in accordance with the provisions of Petroleum (Exploration and Production) Act ([Cap. 308](#)) or mining license in accordance with the Mining Act ([Cap. 306](#)), upon recommendation by the Cabinet Secretary responsible for energy or the Cabinet Secretary responsible for mining, as the case may be.

[Act No. 7 of 2014, s. 2(a)(iii).]

- 30A. Taxable supplies, procured locally or imported for the construction of liquefied petroleum gas storage facilities with a minimum capital investment of four billion shillings and a minimum storage capacity of fifteen thousand metric tonnes as approved by the Cabinet Secretary for National Treasury upon recommendation by the Cabinet Secretary responsible for liquefied petroleum gas.

[Act No. 11 of 2017, Sch.]

31. *deleted by Act No. 15 of 2017, s. 9*

32. *Repealed by [Act No. 40 of 2013](#).*

33. Disposable plastic syringes of tariff No. 9018.31.10.

34. Other syringes with or without needles of tariff No. 9018.31.90.

35. Tubular metal needles and needles for sutures of tariff No. 9018.32.00.

36. Catheters, cannulae and the like of tariff No. 9018.39.00.

37. Blood bags.

38. Blood and fluid infusion sets.

40. Made-up fishing nets of man-made textile material of tariff No. 5608.11.00.

[Act No. 7 of 2014, s. 2(a)(v).]

41. Mosquito nets of tariff No. 6304.91.10.

[Act No. 7 of 2014, s. 2(a)(v)]

42. *deleted by Act No. 15 of 2017, s.9*

43. Materials, waste, residues and by-products, whether or not in the form of pellets, and preparations of a kind used in animal feeding of tariff numbers 2308.00.00, 2309.10.00, 2309.90.10, 2309.90.90, 2302.10.00, 2302.30.00, 2303.30.00, 2304.00.00, 2306.10.00, 2306.20.00, 2306.30.00, 2306.41.00, 2306.49.00, 2306.50.00, 2306.60.00, 2306.90.00, 2835.25.00 and 2835.26.00.

[Act No. 7 of 2014, s.2(a)(v), Act No. 38 of 2016, s. 30 (a)(i).]

44. Unprocessed green tea.

[Act No. 7 of 2014, s.2(a)(v)]

45. Specialised solar equipment and accessories, including solar water heaters and deep cycle-sealed batteries which exclusively use or store solar power.

[Act No. 7 of 2014, s.2(a)(v)]

46. Deleted by [Act No. 14 of 2015](#), s. 5.

47. Tractors.

48. Inputs or raw materials supplied to solar equipment manufacturers for manufacture of solar equipment or deep cycle-sealed batteries which exclusively use or store solar power as approved from time to time by the Cabinet Secretary for the National Treasury, upon recommendation by the Cabinet Secretary responsible for energy and petroleum.

49. Aircraft parts of heading 8803, excluding parts of goods of heading 8801.

50. Goods of tariff No. 4011.30.00.

51. Taxable goods, imported or purchased for direct and exclusive use in the implementation of official aid funded projects upon approval by the Cabinet Secretary responsible for the National Treasury.

[Act No. 38 of 2016, s. 30 (a)(ii).]

52. Plastic bag biogas digesters.

- 52A. Biogas.

- 52B. Leasing of biogas producing equipment.

53. Parts imported or purchased locally for the assembly of primary school laptop tablets, subject to approval by the Cabinet Secretary for the National Treasury, on recommendation by the Cabinet Secretary responsible for matters relating to information technology.

54. Goods imported or purchased locally for use by the local film producers and local filming agents, upon recommendation by the Kenya Film Commission, subject to approval by the Cabinet Secretary to the National Treasury.

[Act No. 38 of 2016, s. 30 (a)(iii).]

55. Taxable goods purchased or imported for direct and exclusive use in the construction and infrastructural works in industrial parks of one hundred acres or more including those outside special economic zones approved by the Cabinet Secretary for the National Treasury.

[Act No. 38 of 2016, s. 30 (a)(iv).]

56. Inputs or raw materials locally purchased or imported by manufacturers of agricultural machinery and implements upon approval by the Cabinet Secretary responsible for industrialization.
57. All goods including material supplies, equipment, machinery and motor vehicles, for official use by the Kenya Defence Forces and the National Police Service.
- [Act No. 38 of 2016, s. 30 (a)(v).]
58. Direction-finding compasses, instruments and appliances for aircraft.
- [Act No. 38 of 2016, s. 30 (a)(vi).]
59. Wheat seeds of tariff number 1001.11.00 and 1001.91.00.
- [Act No. 38 of 2016, s. 30 (a)(vi).]
60. Museum and natural history exhibits and specimens and scientific equipment for public museums.
- [Act No. 38 of 2016, s. 30 (a)(vi).]
61. Chemicals, reagents, films, film strips and visual aid equipment imported or purchased prior to clearance through the customs by the National Museums of Kenya.
- [Act No. 38 of 2016, s. 30 (a)(vi).]
62. Taxable goods for direct and exclusive use for the construction of tourism facilities, recreational parks of fifty acres or more, convention and conference facilities upon recommendation by the Cabinet Secretary responsible for matters relating to recreational parks.
- For the purposes of this paragraph, "recreational parks" means an area or a building where a person can voluntarily participate in a physical or mental activity for enjoyment, improvement of general health, well-being and the development of skills.
- [Act No. 38 of 2016, s. 30 (a)(vi).]
63. Taxable goods, equipment and apparatus for the direct and exclusive use for construction of specialized hospitals with a minimum bed capacity of fifty with accommodation facilities upon the recommendation by the Cabinet Secretary responsible for health who shall issue guidelines for the criteria to be used to determine eligibility for the exemption.
- [Act No. 38 of 2016, s. 30 (a)(vi)., Act No. 15 of 2017, s.9]
64. Garments and leather footwear, manufactured in an Export Processing Zone at the point of importation.

[Act No. 38 of 2016, s. 30 (a)(vi).]

65. Taxable goods locally purchased or imported by manufacturers or importers of clean cooking stoves for direct and exclusive use in the assembly, manufacture or repair of clean cook stoves approved by the Cabinet Secretary upon recommendation by the Cabinet Secretary for the time being responsible for matters relating to energy.

[Act No. 38 of 2016, s. 30 (a)(vi).]

66. Inputs or raw materials locally purchased or imported by manufacturers of clean cook stoves approved by the Cabinet Secretary upon recommendation by the Cabinet Secretary for the time being responsible for energy. Clean cook stoves" includes clean and energy saving cook stoves with tariff number 7321, as well as their parts and raw materials that are either imported or sourced locally, provided that the stoves meet ISO/IWA 11:2012 standards of tier 2-4 for fuel efficiency, as determined by the Kenya Bureau of Standards.

[Act No. 38 of 2016, s. 30 (a)(vi), Act No. 15 of 2017, s.9.]

67. Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating) barbeques, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, or iron or steel of tariff numbers 7321.11.00, 7321.12.00, 7321.19.00, 7321.81.00, 7321.82.00, 7321.83.00 and 7321.90.00.

[Act No. 38 of 2016, s. 30 (a)(vi).]

68. Super absorbent polymer (SAP) of tariff number 39.06.90.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

69. Carrier tissue white, 1 ply 14.5 GSM of tariff number 4703.21.00.

[Act No. 38 of 2016, s. 30 (a)(vi).]

70. IP super soft fluff pulp — fr-fluff 310 treated pulp 488*125mm (cellose) of tariff number 4703.21.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

71. Perforated PE film 15-22 gsm of tariff number 3921.190.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

72. Spunbound non-woven 15-25 gsm of tariff number 56.03.1190.8.

[Act No. 38 of 2016, s. 30 (a)(vi).]

73. Airlid paper with super absorbent polymer 180gsm/67 of tariff number 48.03.00.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

74. Airlid paper with super absorbent polymer 80gsm/67 of tariff number 48.03.00.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

75. Airlid paper without super absorbent polymer 180gsm/67 of tariff number 48.03.00.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

76. Airlid paper without super absorbent polymer 80gsm/67 of tariff number 48.03.00.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

77. Pressure sensitive adhesive of tariff number 3506.91.90.

[Act No. 38 of 2016, s. 30 (a)(vi).]

78. Plain polythene film/LPDE of tariff number 39.21.190.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

79. Plain polythene film/PE of tariff number 39.21.190.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

80. PE white 25-40gsm/release paper of tariff number 48.44.51.10.0.

[Act No. 38 of 2016, s. 30 (a)(vi).]

81. ADL — 25-40gsm of tariff number
56.03.1190.8.

[Act No. 38 of 2016, s. 30 (a)(vi).]

82. Elasticized side tape of tariff number 5402.4410.

[Act No. 38 of 2016, s. 30 (a)(vi).]

83. 12-16 gsm spunbound piyropononwoven coverstock/12gsm spunbound PP non-woven SMS
hydrophobic leg cuffs of tariff number 56.03.1190.8.

[Act No. 38 of 2016, s. 30 (a)(vi).]

84. Polymetric elastic 2/3 strands of tariff number 3919.90.90.10.

[Act No. 38 of 2016, s. 30 (a)(vi).]

85. Plain polythene film/PE of tariff number 39.20.10.10.

[Act No. 38 of 2016, s. 30 (a)(vi).]

86. PE white 25-40gsm/release paper of tariff number 48.10.99.00.

[Act No. 38 of 2016, s. 30 (a)(vi).]

87. 12-16 gsm spunbound polypropylene coverstock/15gsm spunbound PP non-woven SSMMS hydrophobic leg cuffs of tariff number 56.03.1190.

[Act No. 38 of 2016, s. 30 (a)(vi).]

88. Goods falling under tariff number 4907.00.90.

[Act No. 15 of 2017, s.9]

89. Any other aircraft spare parts imported by aircraft operators or persons engaged in the business of aircraft maintenance upon recommendation by the competent authority responsible for civil aviation.

[Act No. 15 of 2017, s.9]

90. Inputs for the manufacture of pesticides upon recommendation by the Cabinet Secretary for the time being responsible for matters relating to agriculture.

[Act No. 15 of 2017, s.9]

91. Specially designed locally assembled motor vehicles for transportation of tourists, purchased before clearance through Customs by tour operators upon recommendation by the competent authority responsible for tourism promotion, provided the vehicles meet the following conditions—

- (i) the vehicles shall at all times be registered and operated by a company that is licenced under the Tourism Vehicle Regime;
- (ii) the vehicles shall be used exclusively for the transportation of tourists;
- (iii) the vehicles shall have provisions for camping, rescue and first aid equipment, luggage compartments and communication fittings; and
- (iv) any other condition the Commissioner may impose: Provided that tax shall become payable upon change of use or disposal of the vehicle for other use.[Act No. 15 of 2017, s.9]

92. Transportation of cargo to destinations outside Kenya.

[Act No. 15 of 2017, s.9]

93. Materials for the construction of grain storage, upon recommendation by the Cabinet Secretary for the time being responsible for agriculture.

[Act No. 15 of 2017, s.9]

SECTION B - EXEMPT GOODS ON TRANSITION

- (1) The following goods shall be exempt supplies for a period of three years from the commencement of this Act unless the exempt status of the supplies is earlier revoked—

2709.00.00 Petroleum oils and oils obtained from bituminous minerals, crude.

2710.12.10 Motor spirit (gasoline) regular.

2710.12.20 Motor spirit (gasoline), premium

2710.12.30 Aviation spirit

2710.12.40 Spirit type jet fuel.

2710.12.50 Special boiling point spirit and white spirit.

2710.12.90 Other light oils and preparations.

2710.19.10 Partly refined (including topped crudes).

2710.19.21 Kerosene type jet fuel.

2710.19.22 Illuminating kerosene (IK)

2710.19.29 Other medium petroleum oils and preparations.

2710.19.31 Gas oil (automotive, light, amber, for high speed engines).

2710.19.39 Other gas oils.

2711.21.00 Natural gas in gaseous state

2711.29.00 Other natural gas in gaseous state.

- (2) Notwithstanding paragraph (1), the exemption shall be extended by a further two years from 1st September, 2016.

[Act No. 38 of 2016, s. 30 (c)(ii).]

PART II –

SERVICES

The supply of the following services shall be exempt supplies—

1. The following financial services—

- (a) the operation of current, deposit or savings accounts, including the provision of account statements;
- (b) the issue, transfer, receipt or any other dealing with money, including money transfer services, and accepting over the counter payments of household bills, but excluding the services of carriage of cash, restocking of cash machines, sorting or counting of money;
- (c) issuing of credit and debit cards;
- (d) automated teller machine transactions, excluding the supply of automated teller machines and the software to run it;
- (e) telegraphic money transfer services;
- (f) foreign exchange transactions, including the supply of foreign drafts and international money orders;
- (g) cheque handling, processing, clearing and settlement, including special clearance or cancellation of cheques;
- (h) the making of any advances or the granting of any credit;
- (i) issuance of securities for money, including bills of exchange, promissory notes, money and postal orders;
- (j) the provision of guarantees, letters of credit and acceptance and other forms of documentary credit;
- (k) the issue, transfer, receipt or any other dealing with bonds, *Sukuk* debentures, treasury bills, shares and stocks and other forms of security or secondary security;

[Act No. 15 of 2017, s.9]

- (l) the assignment of a debt for consideration;
- (m) The provision of the above financial services on behalf of another on a commission basis.

- (n) asset transfers and other transactions related to the transfer of assets into Real Estates Investment Trusts and Asset Backed Securities.

[Act No. 15 of 2017, s.9]

- (o) any services set out in items (a) to (n) that are structured in conformity with Islamic finance.

[Act No. 15 of 2017, s.9]

2. Insurance and reinsurance services excluding the following—

- (a) management and related insurance consultancy services.
- (b) actuarial services; and
- (c) services of insurance assessors and loss adjusters.

3. The supply of education services

For the purposes of this paragraph, education services means education provided by—

- (a) a pre-primary, primary, or secondary school;
- (b) a technical college or university;
- (c) an institution established for the promotion of adult education, vocational training or, technical education but shall not apply in respect of business or user training and other consultancy services designed to improve work practices and efficiency of an organization.

4. Medical, veterinary, dental and nursing services.

5. Agricultural, animal husbandry and horticultural services.

6. Burial and cremation services.

7. Transportation of passengers by any means of conveyance excluding international air transport or where the means of conveyance is hired or chartered.

8. Supply by way of sale, renting, leasing, hiring, letting of land or residential premises;

“residential premises” means land or a building occupied or capable of being occupied as a residence, but not including hotel or holiday accommodation;

Provided that this paragraph shall not apply where such services are supplied in respect of—

- (a) car park services; or

- (b) conference or exhibition services, except where such services are provided for educational institutions as part of learning.
9. Community, social and welfare services provided by National Government, County Government or any political sub-division thereof.
10. Insurance agency, insurance brokerage, stock exchange brokerage and tea and coffee brokerage services.
11. The supply of—
- (a) services rendered by educational, political, religious, welfare and other philanthropic associations to their members, or
 - (b) social welfare services provided by charitable organizations registered as such, or which are exempted from registration, by the Registrar of Societies under [section 10](#) of the Societies Act ([Cap. 108](#)), or by the Non- Governmental Organizations Co-ordination Board under [section 10](#) of the Non Governmental Organization Co-ordination Act (Cap. 134) and whose income is exempt from tax under paragraph 10 of the First Schedule to the Income Tax Act ([Cap. 470](#)), and approved by the Commissioner of Social Services:
- Provided that this paragraph shall not apply where any such services are rendered by way of business.
12. The following entertainment services—
- (a) stage plays and performances which are conducted by educational institutions, approved by the Cabinet Secretary for the time being responsible for education as part of learning;
 - (b) sports, games or cultural performances conducted under the auspices of the Ministry for the time being responsible for culture and social services.
13. Accommodation and restaurant services provided within the following premises by the proprietors thereof—
- (a) establishments operated by an educational training institutions approved by the Cabinet Secretary for the time being responsible for education for the use of the staff and students by that institution; or
 - (b) establishments operated by a medical institution approved by the Cabinet Secretary for the time being responsible for health for the use by the staff and patients of such institutions; or
 - (c) canteens and cafeterias operated by an employer for the benefit of his employees.

14. Conference services conducted for educational institutions as part of learning where such institutions are approved by the Ministry for the time being responsible for Education.
15. Car park services provided by National Government, County Government, any political subdivision therefore by an employer to his employees on the premises of the employer.
16. The supply of airtime by any person other than by a provider of cellular mobile telephone services or wireless telephone services.
17. Betting, gaming and lotteries services.
18. Hiring, leasing and chartering of aircrafts.
- 18A. Transportation of sugarcane from farms to milling factories.
[Act No. 24 of 2016, s. 2.]
19. Deleted by [Act No. 14 of 2015](#), s. 5.
20. Taxable services for direct and exclusive use in the implementation of official aid funded projects upon approval by the Cabinet Secretary to the National Treasury.
21. Services imported or procured locally for use by the local film producers or local film agents upon recommendation by the Kenya Film Commission, subject to approval by the Cabinet Secretary for the National Treasury.
[Act No. 38 of 2016, s. 30 (b)(i).]
22. Taxable services provided for direct and exclusive use in the construction and infrastructural works in industrial parks of one hundred acres or more including those outside special economic zones approved by the Cabinet Secretary for the National Treasury.
[Act No. 38 of 2016, s. 30 (b)(ii).]
23. Supply of sewerage' services by the national government, a county government, any political subdivision thereof or a person approved by the Cabinet Secretary for the time being responsible for water development.
24. Entry fees into the national parks and national reserves.
[Act No. 38 of 2016, s. 30 (b)(iii).]
25. The services of tour operators, excluding in-house supplies.
[Act No. 38 of 2016, s. 30 (b)(iv).]

26. Taxable services for direct and exclusive use for the construction of tourism facilities, recreational parks of fifty acres or more, convention and conference facilities upon the recommendation by the Cabinet Secretary responsible for matters relating to recreational parks.

[Act No. 38 of 2016, s. 30 (b)(iv).]

27. Taxable services for direct and exclusive use for the construction of specialized hospitals with accommodation facilities upon recommendation by the Cabinet Secretary responsible for health, who shall issue guidelines for the criteria to determine the eligibility for the exemption.

[Act No. 38 of 2016, s. 30 (b)(iv).]

28. Taxable services, procured locally or imported for the construction of liquefied petroleum gas storage facilities with a minimum capital investment of four billion shillings and a minimum storage capacity of fifteen thousand metric tonnes as approved by Cabinet Secretary for National Treasury upon recommendation by the Cabinet Secretary responsible for liquefied petroleum gas.

[Act No. 11 of 2017, Sch.]