Crowe

Kenya Budget Highlights

Path to Economic Transformation

June 2023

Audit / Tax / Advisory

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The 2023/24 Budget in context

The 2023/24 budget is the first under the Kenya Kwanza government administration and holds the potential to shape the economic trajectory for the upcoming five fiscal years. The theme of this financial year budget is bottom-up economic transformation and climate change mitigation/adaptation for improved livelihoods of Kenyans.

This budget has been developed in a context of notable worldwide economic instability, characterized by the ongoing Eastern European conflict, turbulent financial markets, drought and a restrictive monetary policy. These factors have contributed to a considerable deceleration in economic growth.

To fund the economic turnaround and inclusive growth plan, the government's economic plan will focus on six key pillars namely,

Kenya Government's Key pillars:

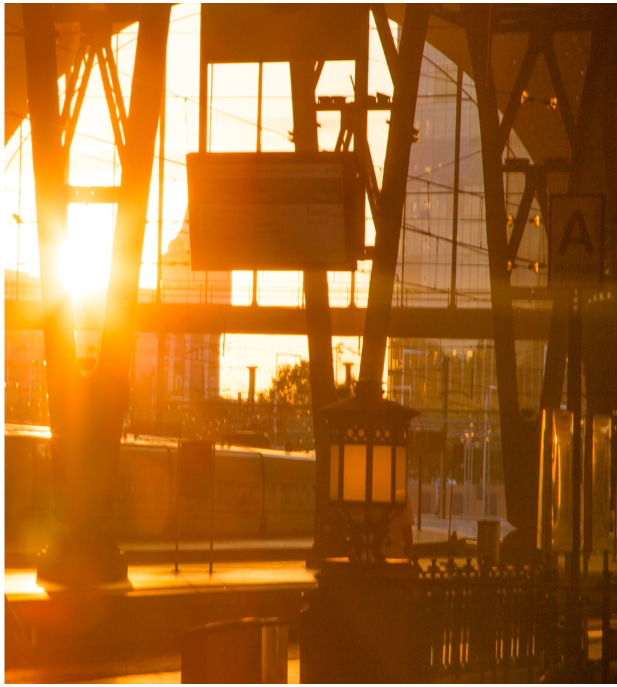
- Agriculture.
- Micro,small and medium enterprises (MSME).
- Housing and settlement.
- Healthcare.
- Digital superhighway.
- Creative economy.
- Environment and Climate change.

Key highlights of the budget:

- The budget targets a growth rate of 6.0% in 2023/24, up from 5.7% in 2022/23. The economy grew by 5.7% in 2022, up from 0.9% in 2021.
- Inflation is on the rise. Inflation rose to 7.5% in May 2023, up from 6.4% in April 2023. The government is taking steps to control inflation, such as increasing the supply of food and fuel. It is expected that the inflation will go down in the second quarter of the financial year 23/24.
- The government is facing a budget deficit. The budget deficit is projected to be 3.2% of GDP in 2023 down from 3.5% in 2022. The government is taking steps to reduce the deficit, such as increasing revenue collection and reducing spending.
- The government will raise revenue of KES 3.3 trillion in 2023/24, up from KES 3.1 trillion in 2022/23.
- The government will spend KES 3.6 trillion in 2023/24, up from KES 3.4 trillion in 2022/23.

Macroeconomic challenges facing Kenya.

- Impact of drought continues to pose a risk to agricultural production, despite expectations of improved food security in the coming months due to the anticipated long rains of 2023.
- The business environment has worsened, attributed to reduced consumer spending caused by high inflation, high tax burden and high unemployment rate.
- Depreciation of the Kenyan shilling against the dollar has had significant consequences, including a decline in forex reserves below the required four months of import cover, thereby heightening the risk of debt distress.
- The country now finds itself in a vulnerable debt position, characterized by undersubscribed domestic bond issuance, limited access to international capital markets. Additionally, there has be increased wastage of public resources



Fiscal Framework

The fiscal policy targets to grow the total revenues to **17.9 percen**t of the GDP in the FY 2023/24 and above **18.3 percent** over the medium term. The government intends to scale up revenue collection to **Ksh 4 trillion** over the medium term by undertaking both tax administrative measures and policy reforms.

Under the tax policy reform, the Government will implement the National Tax Policy which will enhance the administrative efficiency of the tax system, provide consistency and certainty in tax legislation and management of tax expenditure.

Revenue Projections

FY 2023/24 total revenue collection is projected at **Ksh 2.96 trillion** equivalent to 1**8.2 percent** of GDP. Of this, ordinary revenue is projected at Ksh 2.57 trillion equivalent to **15.8 percent** of GDP, Ministerial Appropriation –in–Aid is projected at **348.7 billion** and grants are projected at **Ksh 42.2 billion**

Expenditure Projections

The total expenditure in the FY 2023/24 budget is projected at **3.7 trillion** equivalents to **22.6 percent** of GDP. recurrent expenditure will amount to **Ksh 2.53 trillion** equivalent to **15.6 percent** of the GDP. development expenditures including allocations to domestic and foreign-financed projects, contingency fund, Equalization funds, and conditional capital to county governments is **743.5 billion.** Equitable share to county government is projected at Ksh **385.4 billion**

Fiscal Balance

From the projected revenue and grants against the projected expenditure, the fiscal deficit is projected at **Ksh 718 billion** equivalent to **4.4 percent** of GDP in the FY 2023/24 compared to the projection of Ksh **840.9 billion** equivalent to 5.8 percent of the GDP in the FY 2022/23.

The fiscal deficit will be financed through net external financing of Ksh **131.5 billion** and net domestic financing of Ksh **586.5 billion**

The inflation rate has remained above the **7.5 percent** upper bound target since June 2022 driven by high food and energy prices adverse weather conditions, high global oil prices, and the effects of the depreciation of the domestic currency. The monetary policy action by the Central Bank of Kenya of raising the Central Bank Rate to 9.5 percent together with agricultural reforms and the ongoing importation of food items under the duty-free window is expected to ease the domestic prices of basic food items reduce inflation

Evaluation of the 2023/24FY budget estimates

Overall Outlook of Budget Estimates for FY 2022/23 vs 2023/24 (KES Millions)

		2022/23	% Share of total	2023/24 Estimates	% Shar of total
Executive	Recurrent	1,430,345		1,449,629	
	Development	613,799		714,681	
	Total	**2,044,144**	**50.6%**	**2,164,310**	**60.1%**
Parliament	Recurrent	48,255		38,337	
	Development	2,465		2,065	
	Total	**50,720**	**1.3%**	**40,402**	**1.1%**
Judiciary	Recurrent	20,119		20,794	
	Development	1,900		2,200	
	Total	**22,019**	**0.55%**	**22,994**	**0.6%**
CFS		**1,552,942**		**986,157**	**27.4%**
County Governments		**370,000**		**385,425**	**10.7%**
Total		**4,039,825**		**3,599,289**	**100%**
Principal debt redemptions				**850,100**	
Total		**4,039,825**		**4,449,424**	

Sectoral allocation in the 2023/24 FY budgeted estimates

A detailed scrutiny of the estimates reveals no significant shift in resource allocation to various sectors. Education continues to receive the lion's share of the National Government budget. The increase is due to the need for additional resources at the Junior Secondary School, a school feeding programme and the recruitment of 20,000 teachers through the Teachers Service Commission.

The Energy, Infrastructure, and ICT Sector remains the second largest expenditure centre, primarily due to infrastructure resource requirements. The rise in General Economic and Commercial Affairs funding is primarily due to BETA priorities under the MSMEs pilla

SECTOR	FY 2023-24 Estimates
Agriculture, Rural & Urban Development	87.9B
Energy, Infrastructure and ICT	468.2B
General Economic and Commercial Affairs	45.5B
Health	141.2B
Education	628.6B
Governance, Justice, Law and Order	231.5B
Public Administration and International Relations	327B
National Security	189.2B
Social Protection, Culture and Recreation	68.6B
Environment Protection, Water and Natural Resources	120.6B

Current Developments

Privatisation

The current government has placed high priority on the privatization of public entities. In this regard, CS Prof. Njuguna Ndung'u emphasized the significance of privatization due to limited government resources. He specifically highlighted the challenges faced by Kenya Power and Kenya Airways, with the latter constantly seeking budgetary support. Moreover, he urged Parliament to pass the Privatisation Bill 2023, which will replace the existing Privatisation Act of 2005.

Kenya Power

The government's four-point turnaround strategy for Kenya Power:

- Transfer of all transmission assets to KETRACO.
- The government will settle Rural Electrification Scheme (RES) operations and maintenance costs, which had a deficit of KES 19.4 billion as at June 2022 and ensure KPLC, RES and Renewable Energy Corporation enter into a commercial for the future rural electrification schemes maintenance costs.
- The reduction of systems losses from 22.4 percent to 14.4 percent by end of June 2025.
- The establishment of a new governance structure for Kenya Power that will give private sector fair representation reflecting the company's shareholding structure.

Manufacturing

Kenya to looking adopt decarbonised manufacturing (emissions-free production by switching from fuel-based sources of energy) aimed at achieving zero carbon by 2050.

Digital lenders

There were 32 digital credit service providers under CBK supervision by end of 2022. Therefore, the CBK will work with other agencies to ensure all digital lenders come under regulation to protect consumers. These digital lenders will also be required to be registered under the Data protection Registration System.

Banking

The CBK will launch upgraded central securities depository code to improve financial market liquidity, enhance operational efficiency in domestic debt market and promote market deepening.
CBK has reviewed and enhanced the banking sector Know Your Customer (KYC) and customer due diligence (CDD) processes. This is to improve effectiveness of the banking sector anti-money laundering and combating the financing of terrorism and proliferation financing (AML/CFT/PF) risk based supervisory framework.

Alternative Dispute Resolution (ADR)

The Kenya Deposit Insurance Corporation has developed an ADR framework to address disputes between financial institutions that have been closed and their respective stakeholders, thereby fast-tracking release of available resources and winding up those banks under liquidation

SACCOS

Sacco Societies Regulatory Authority (SASRA) working on SACCOs Societies Act 2008 to provide the licensing and supervision of shared Sacco services platform to lower operating costs for small SACCOs. The review of regulations for SACCOs to allow for a resolution mechanism for financially distressed SACCOs. SASRA has proposed amendments to the SACCO Societies Act, 2008 to provide for a framework for the appointment of trustees for deposit guarantee fund for SACCOs in Kenya

Capital Markets Development

In order to MSMEs access financing via the capital markets, the Capital Markets Authority (CMA) has developed the Capital 42 Markets (Public Offers and Disclosures) Regulations, 2023 that will enable MSMEs raise debt and equity capital via the Nairobi Securities Exchange (NSE). The CMA is also implementing the Capital Markets (Investment Based Crowdfunding) Regulations, 2022 to support Kenyan Start-ups to raise finance from both global and local investors.

The CMA has listed the LAPTRUST IMARA Real Estate Investment Trusts (REIT) in the NSE. This will provide investors with a unique opportunity to invest in a diversified portfolio of income-generating real estate assets.

Pension

The pension coverage in Kenya currently stands at 22%. Thus, the Government is working on a National Pensions Policy to address 43 key concerns on coverage, portability of schemes, reciprocal arrangements to address concerns of Kenyans in the diaspora and mitigate the fragmentation in the sector.

The Treasury has established an innovative scheme – the Kenya National Entrepreneurs Saving Trust (KNEST) with a focus on the population in the informal segment of our economy. In order to promote uptake of the scheme, the government will deliberately form strategic partnerships to facilitate voluntary pension contributions for individuals in this sector and continue to explore options to provide diverse pension solutions for self-employed individuals.

The government will invest in modern technology and digital solutions to streamline pension processes and improve service delivery.

Insurance Reforms

In order to further enhance growth of the sector; the Insurance Regulatory Authority (IRA) has rolled out a Micro-insurance Framework that will contribute to increased penetration coverage for individuals with low income. The Authority will strengthen private insurance's role in the Universal Health Coverage, promote crop and livestock insurance and support insurance for MSMEs.

The introduction of the House Insurance (Amendment) Bill, 2023, to provide for offences relating to the management of an insurer. In addition, the Bill contains other amendments aimed at enhancing the efficiency of the IRA in regulating the insurance industry.

Unclaimed Financial Assets Authority (UFAA)

UFAA Act to be amended to allow people to pick claimants of their wealth or dedicate the wealth to a course of their choice. The Act does not designate a beneficiary or to a course of their choice. Therefore, the CS has proposed to amend the Act to empower claimants to designate beneficiaries of their choice or to a course of their choice.

Ease of doing business and consumer protection

In order to protect MSMEs from abuse of power, the Competition Authority of Kenya (CAK) will: -

- Exempt MSEs sector from merger notifications thus, enabling start-ups, digital businesses, among others. Further, it will conduct surveillance particularly in manufacturing and agro-processing sectors
- Implement codes of practice to ensure MSMES are protected from powerful buyers.
- Screen and investigate suspected infractions such as abuse of dominance conduct, price discrimination, predatory pricing to ensure a level playing field; and
- Actualize the initiative earlier started with the National Assembly to address the issue of price fixing by professional services to make the fees competitive and improve quality of services.

CAK will actively monitor and investigate emerging consumer issues in various sectors, including utilities, pharmaceuticals, digital financial services, e-commerce, insurance, aviation, and the safety of essential commodities.

Tax

Income Tax

	Item	Current	Proposed
1	**Turnover tax**	Turnover tax is currently charged at 1% with the lower threshold at Ksh 1 Million and the upper threshold at Ksh 50 Million	Increase of the rate from 1% to 3%.The lower threshold to remain at Ksh 1 Million and the upper threshold to be lowered to Ksh 25 Million
2	**PAYE Tax bands**	The current bands are 10% for the first Ksh 24,000, 25% for the next 8,333 and 30% for earnings more than 32,333	The current bands are 10% for the first Ksh 24,000, 25% for the next 8,333, 30% for earnings between Ksh 32,333 and Ksh 500,000,32.5% for earnings between Ksh 500,001 and Ksh 800,000, and 35% for earnings above Ksh 800,000
3	**Restriction of interest expenses**	Interest expense is currently restricted at 30% of earnings before interest and tax both for loans from resident and non-resident excluding borrowings to financial institutions	Under the proposal, the restriction will only apply on non-resident loans. The interest disallowed for non-resident related loans will be allowable for carrying forward for deduction for a maximum of five years
4	**Capital gains on transfer of property**	In calculating the gains subject to CGT, the transferor of a property is allowed to deduct the cost incurred in acquiring the property together with additional amount spent on maintaining the title to property (adjusted cost). Essentially, this means that the amount of the consideration in the transfer of a chargeable property in one transaction will be used as the cost in the subsequent transfer.	The capital gain tax bases for sale of property that has been transferred in a transaction not subject to CGT and further transferred within five years in a transaction subject to tax, the tax base shall be the original cost in the initial transfer
5	**Withholding tax on sales, marketing and advertising services**	This is currently charged on non-residents only at a rate of 15%	The bill proposes to also include withholding tax on the same services by a residents at a rate of 5%
6	**Withholding tax on digital content creators**	No withholding tax is charged on this currently	Withholding tax at the rate of 5 percent on the gross payment in respect to digital content monetization. This will apply to incomes generated through media and digital platforms has been introduced in the proposal
7	**Tax on rental income**	Currently the rate is at 10% which is final tax on the gross rental income payable by 20th of the following month	To increase compliance, the bill proposes to reduce the rate from 10% to 7.5%
8	**Introduction of withholding tax rental income collected by agents who have been appointed by the Commissioner**	This is currently not applicable	The Bill proposes that a person who receives rental income on behalf of the owner of the premises shall deduct tax therefrom and submit to KRA within five working days

Income Tax

	Item	Current	Proposed
9	**Offsetting of overpaid taxes against current liabilities**	Currently, a tax payer with overpaid taxes should apply for a refund within five years	The Bill proposes to reduce the time within which the Commissioner must refund the taxes from two (2) years to six (6) months. If the commissioner fails to refund the overpaid tax within 6 months, the amount would be applied to offset the taxpayers outstanding or future liabilities
10	**Investment deduction**	Currently diminution on implements, utensils or similar articles used in the production process is provided for over a period of three years, in determination of taxable profits	The bill proposes investment deduction to be provided for at 100% on the first year of use
11	**Definition of "winnings**	The term "winnings" is defined as winnings of any kind and a reference to the amount or the payment of winnings shall be construed accordingly	The term winnings has now been defined as the payout from a betting, gaming, lottery, prize competition, gambling or similar transaction under the Betting, Lotteries and Gaming Act without deducting the amount staked or wagered.
12	**Taxation of repatriated income**	Currently, Kenya only taxes profits attributable to a Permanent Establishment (PE). The ITA does not have provisions for the taxation of repatriated income. However, the effective tax rate assumes that all profits made a PE are repatriated and hence reflects that in a higher rate (37.5%	The Bill proposes to reduce the corporate income tax rate of the PE from 37.5% to 30%.The Bill also proposes to introduce a tax on repatriated income where a non-resident person is carrying on business in Kenya through a PE. The tax charged on repatriated income will be additional to the tax chargeable on the profits attributable to a PE. The proposal has defined the repatriated income as movement in net assets and the net profit calculated in accordance with generally accepted accounting principles after deducting the tax payable on the chargeable income. For the purposes of the repatriated income, net assets shall not include revaluation of assets.
13	**Taxation of companies manufacturing human vaccine**	Currently, such companies are exempted from corporation tax	The bill proposes to lift the exemption and have the companies pay tax at a rate of 10%.the Bill has also introduced withholding tax exemption, which will only be applicable to royalties paid to a nonresident person and interest paid to a resident and a nonresident person.

Income Tax

	Item	Current	Proposed
14	**Taxation of digital assets**	Currently the Income Tax Act doesn't have an explicit provision to tax digital assets	The Finance Bill proposes to introduce a tax called DAT (Digital Asset Tax) at a rate of 3% based on the gross fair market value consideration received or receivable at the point of exchange or transfer of a digital asset and remit within twenty-four hours after making the deduction.
15	**Postretirement medical cover**	No relief is currently given on contribution to a post-retirement medical cover	In order to encourage employees, save for their postretirement medical needs, the bill proposes a tax relief of 15 percent of the contributions to a Post-Retirement Medical Fund or Ksh 5,000 per month, whichever is lower.
16	**Affordable housing levy**	Currently no levy is charged towards affordable housing	The bill seeks to introduce an Affordable Housing Levy through an amendment to the Employment Act, 2007 to provide for a monthly levy payable by the employer and employee at one point five percent (1.5%) per month of an employee's gross monthly salary. This shall be payable on or before the 9th of the following month

Value Added Tax

	Item	Current	Proposed
1	**VAT on petroleum products**	VAT Act provides for the application of VAT at the rate of eight percent (8%) on the taxable value of the goods listed in Section B of Part I of the First Schedule to the VAT Act	The Bill proposes to amend section 5 of the VAT Act by deleting this provision and apply VAT at the standard rate
2	**Exemption of Liquefied Petroleum Gas (LPG) from VAT**	Currently VAT is applicable at the rate of eight percent (8%) on LPG	The bill is proposing zero rating the VAT on LPG
3	**VAT on export services**	Currently export services are Vatable at the standard rate (16%)	The bill seeks to exempt export services from VAT
4	**VAT on transfer of business as a going concern**	Currently, VAT is applicable on transfer of business as a going concern	The bill seeks to exempt from VAT the transfer of business as a going concern
5	**Deducting of input VAT**	Currently as per section 17 of the VAT Act provides that deduction of input tax is not allowed until the first tax period in which a person holds the documentation prescribed under the Act or the registered supplier has declared the sales invoice in a return	The bill proposes replacing the word 'or' with 'and' implying that a tax payer cannot deduct input VAT before the same invoice has been declared in a return
6	**Tea purchased for local value addition**	Currently tea purchased from a factory or tea auction centers is vatable	The bill proposes to remove VAT on tea purchased from factories or tea auction centers for value addition and subsequent export
7	**VAT on helicopters and aircrafts not exceeding 2000kg**	Currently helicopters, airplanes and aircrafts of unladen weight not exceeding 2000 kg are vatable	The bill proposes removal of VAT on all aircrafts, simulators for training of pilots and aircraft spare parts. This proposal expressly exempts from VAT all aircraft and spare parts of Chapter 88.
8	**Locally purchased machine and equipment used for manufature of pharmaceuticals**	These are currently Vatable.	To further boost the health service sector, the bill seeks to have machine and equipment purchased locally exempted from VAT. Currently only imported machine and equipment are exempted from VAT

Excise Duty

	Item	Current	Proposed
1	**Removal of the provision for annual inflationary adjustment of specific Excise Duty rate**	Section 10 of the Excise Duty Act provides for inflation adjustments of specific Excise Duty rates by the Commissioner with approval of the Cabinet Secretary once every year to take into account the inflation	This has been proposed to be removed by the bill
2	**Payment of Excise Duty within twenty-four hours on betting and gaming**	This is not currently in the Excise Duty Act	The bill proposes to have excise duty to be remitted within 24 hours after closure of transaction.Further,the rate has been increased from 7.5% to 12.5%
3	**Excise Duty for telephone and internet data services**	Currently, excise duty on telephone and internet services is chargeable at 20%	The bill proposes to lower the rate from 20% to 15%
4	**Excise Duty on fees charged for money transfer services by banks, money transfer agencies and other financial service provider**	Currently, this is charged at 12%	The bill seeks to lower the rate from 12% to 10%
5	**Excise duty on imported fish**	This is not currently in the Excise Duty Act	The bill proposes to have excise duty at 10% of the excisable value or Ksh 100,000 per metric tonner whichever is higher
6	**Excise duty on juices**	This is currently charged per liter	As a result in increase in powered juice, the bill seeks to introduce excise duty at Ksh 25 per kilogram on powder juice
7	**Excise duty on imported sugar**	This is not currently in the Excise Duty Act	The bill seeks to introduce excise duty at Ksh 5 per Kilogram of imported sugar
8	**Excise duty on advertisement of alcohol, betting, gaming, lottery and prize competition**	This is not currently in the Excise Duty Act	The bill seeks to introduce excise duty at the rate of 15 percent of the excisable value on fees charged on the advertisements by all televisions, print media, billboards, and radio stations in promotion of alcohol, betting, gaming, lottery and prize competition
9	**Excise duty on imported cement**	This is not currently in the Excise Duty Act	The bill seeks to introduce excise duty on imported cement at a rate of 10 percent of the excisable value or Ksh 1.50 per kilogram whichever is higher

Excise Duty

Item		Current	Proposed
10	**Excise duty on imported furniture**	This is not currently in the Excise Duty Act	The bill seeks to impose excise duty on imported furniture at the rate of 30 percent of the customs value excluding the furniture originating from EAC countries.
11	**Excise duty on paints, varnishes and lacquers**	This is not currently in the Excise Duty Act	The bill proposes to introduce excise duty at the rate of 15 percent of the excisable value on imported paints, varnishes, and lacquers

Proposed Ammendments to the tax procedures act,2015

Item	Proposed	Current Provision	Effect
Records for trusts administered by resident trustees	Trustees to maintain and avail records required by KRA	No provision	Increase visibility on transactions of the Trust to KRA
Electronic tax records	Taxpayers to issue electronically generated tax invoices	Not a requirement	traced through an electronic Tax Invoice Management System(eTIMS)
Difficulty in tax recovery	Removal of power to abandon tax as well as waivers on penalties and interest pressure to abandon taxes and grant waivers of tax	the Commissioner can recommend the abandonment of taxes where it is impossible to recover the unpaid tax	There will be no relief to taxpayers or KRA where it is difficult to recover taxes
Tax amnesty on interest and penalties	one-year tax amnesty on penalties and interest on the accrued tax debts up to 31st December 2022	none	Increased revenue collection and a relief to the Tax payer's tax liability payable
Agency notices on installment taxes	Expansion of scope of Agency notices to cover default in payment of Instalment taxes	Not applicable	Increase revenue collection and compliance levels
Electronic Data management and reporting system	The commissioner to provide a data management and reporting system	Currently no provision	Taxpayers will submit standardized transactional data on real-time basis
Offset of overpaid taxes against existing and future tax liability	Overpaid tax to offset outstanding and future tax liabilities	Overpaid tax can only be offset against future taxes	This will improve business cash flows
Automatic offset of outstanding tax liabilities from approved refunds	Where approved refunds are not paid within 6 months, the approved refund is to offset against outstanding tax liabilities in other tax heads or future liabilities		

Amendment to the Miscellaneous Fees and Levies Act, 2016

Harmonization of the Import declaration fee at the rate of 2.5% and Railway Development Levy at 1.5 % for all imports.
Exemption of Import Declaration Fees (IDF) and Railway Development Levy (RDL) on the following items;

- Liquefied petroleum gas(LPG)
- All goods including material supplies equipment, machinery and motor vehicles for the official use by the Kenya Defense Forces and National Police Service
- All aircraft, helicopters, aircraft engines, and aircraft spare parts
- Goods for official use by diplomatic and consular missions, the United Nations and its agencies, and institutions or organizations exempted under the Privileges and Immunities Act.

Affordable Housing Levy

As per the Finance Bill, the budget has proposed an introduction of a Housing levy payable by the employer and the employee at 1.5% of the employee's gross monthly salary. This is aimed at the development of affordable housing. This provision after public participation has no capping that was initially at ksh 5,000

Special Economic and Export zones

The CS proposes to exempt from Import duty goods produced from the special economic zone and export processing zone that use inputs or raw materials originating from the Customs Territory when sold into the domestic market.

East African Community Preferential Customs Duty rates effective 1st July 2023.

The East African Community finance ministers have agreed on the following measures to prevent the proliferation of cheap imports into the region so as to protect local manufacturers from unfair competition and to enable them to access raw materials and inputs at affordable prices.

- Kenya will import rice at a rate of 35% instead of 75% under the EAC common external tariff
- Kenya will import wheat under the EAC duty remission scheme at 10% instead of 35%
- The EAC partner states will continue with the importation of raw materials for the manufacture of parts used in the assembly of motor vehicles under duty remission
- Importation under duty remission at 10% of completely knocked down kits was extended awaiting finalization of the EAC assembly regulations
- Importation of iron and steel products shall continue to attract a duty of 35% with the corresponding specific rates for a further year
- Kenya has been allowed to extend the import duty rate of 35% in addition to the specific import duty rates on vegetable products for a further year
- Kenya will import inputs for the manufacture of animal feed duty-free under the EAC Duty Remission Scheme for one year.
- Kenya was allowed to extend duty-free importation of inputs for the manufacture of baby diapers for a further year and charge imported baby diapers at the rate of 35%.
- Kenya was allowed an extension of one-year duty-free importation of raw materials and inputs for the manufacture of footwear products.
- Kenya was granted one-year extension of duty-free window for importing inputs for the manufacture of roofing tiles
- Kenya was allowed to extend duty-free importation of inputs for the assembly of smartphones and other cellular phones for a year
- Kenya will charge an import duty of 10% on billets imports

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