



REPUBLIC OF KENYA  
THE NATIONAL TREASURY AND PLANNING

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23<sup>rd</sup> December, 2019

Mr. Michael Sialai, EBS  
The Clerk of the National Assembly,  
Parliament Building,  
Parliament Road,  
P.O. Box 41842,  
NAIROBI

*Head, Table note  
pls register this and  
tabling and refer to relevant  
committee when house resumes.  
Also receipt also.  
30.12.19.*

Dear *Michael*

**RE: LEGAL NOTICE NO. 196: THE EXCISE DUTY (REMISSION OF EXCISE DUTY) (AMENDMENT) REGULATIONS, 2019**

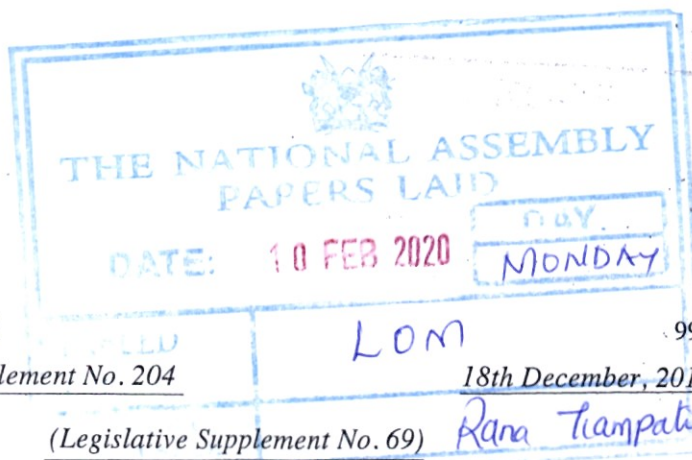
The Cabinet Secretary, for the National Treasury and Planning, published Legal Notice No. 196: The Excise Duty (Remission of Excise Duty) (Amendment) Regulations, 2019 on 18<sup>th</sup> December, 2019.

In order to meet the requirement of the Statutory Instruments Act, 2013, we hereby forward a copy of the Legal Notice and the explanatory memorandum for your necessary action.

Yours *Sincerely*  
*Julius Muia*

**Julius Muia, PhD, EBS**  
**PRINCIPAL SECRETARY/NATIONAL TREASURY**

NATIONAL ASSEMBLY  
**RECEIVED**  
24 DEC 2019  
CLERK'S OFFICE  
P. O. Box 41842, NAIROBI



**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 204*

18th December, 2019

(Legislative Supplement No. 69)

*Rana Tiampati*

LEGAL NOTICE NO. 196

**THE EXCISE DUTY ACT**

(No. 23 of 2015)

IN EXERCISE of the powers conferred by section 7 (2) of the Excise Duty Act, 2015, the Cabinet Secretary makes the following Regulations—

**THE EXCISE DUTY (REMISSION OF EXCISE DUTY)  
(AMENDMENT) REGULATIONS, 2019**

1. These Regulations may be cited as the Excise Duty (Remission of Excise Duty) (Amendment) Regulations, 2019, and shall be deemed to have come into effect from the 1st July, 2019.

Citation.

2. Regulation 2 of the Excise Duty (Remission of Excise Duty) Regulations, 2017, hereinafter referred to as the principal Regulations, is amended by inserting the following new paragraph immediately after paragraph (1)—

Amendment of r.  
2 of L.N. 52/2017.

(1A) Despite paragraph (1), the Cabinet Secretary may, on the application by a manufacturer, grant remission of excise duty at ninety per centum with respect to beer made from sorghum, millet or cassava or any other agricultural produce grown in Kenya:

Provided that—

- (a) the manufacturer shall invest at least five billion shillings in the manufacture of the beer;
- (b) the Government and the manufacturer shall enter into an agreement whereas the manufacturer shall meet specific commitments related to the manufacture of the beer; and
- (c) the remission of excise duty under this paragraph shall be for a period not exceeding five years from the date of the commencement of the manufacture of the beer.

3. Regulation 3 of the principal Regulations is amended by inserting the expression “and 2 (1A)” immediately after the expression “2 (1)” appearing in the opening words thereof.

Amendment of r.  
3 of L.N. 52/2017.

Dated the 17th December, 2019.

**UKUR YATANI,**  
*Acting Cabinet Secretary  
for the National Treasury and Planning.*





## **Memorandum:**

Granting of remission of Excise Duty on beer is provided for under Section 7(2) and (3) of the Excise Duty Act that provides as follows:

*Section 7(2) "The Cabinet Secretary may by notice in the Gazette, grant remission of excise duty wholly or partially in respect of beer or wine made from sorghum, millet and cassava or any other agricultural products, (excluding barley), grown in Kenya."*

*Section 7(3) "The Gazette notice issued under subsection (2), shall specify the products and conditions to be met for the remissions to be granted."*

Legal Notice No. 196 spells out the requirements that an investor (manufacturer) of beer made from sorghum, millet or cassava or any other agricultural produce grown in Kenya will have to meet in order to qualify for an enhanced excise duty remission of ninety (90) per cent. These are:

- (a) the manufacturer shall invest at least five billion shillings in the manufacture of the beer;
- (b) the Government and the manufacturer shall enter into an agreement whereas the manufacturer shall meet specific commitments related to the manufacture of the beer; and
- (c) the remission of excise duty under this paragraph shall be for a period not exceeding five years from the date of the commencement of the manufacture of the beer.

