2019/2020 BUDGET ANALYSIS

Tightening the Grip

The Finance Bill 2019 (The Bill) was tabled together with the budget speech by the Cabinet Secretary for Treasury (CS) for the fiscal year 2019/2020. We have analysed the Bill, providing insights into the implications of the various proposed changes.

A. INCOME TAX ACT

1. Taxation of the Digital Economy

The Bill seeks to amend Section 3 of the ITA to include income accruing from a digital market place as income chargeable to tax in Kenya. A digital market place is defined as "***a platform that enables the direct interaction between buyers and sellers of goods and services through electronic means***".

This has been in a bid to align Kenya to *Action 1 of BEPS (Base Erosion and Profit Shifting) Action Plan.* This includes addressing the challenges of the digital economy and identification of applicable rules to enhance the existing international tax rules.

The impact will be that this will significantly widen the tax base. However, it remains to be seen the practicality of this given the grey area that is profit attribution attributable to suppliers within the digital space who have no taxable presence in Kenya. Key questions will be how the taxable presence will be established in Kenya given that the major players in this industry have no permanent establishments (PE) in Kenya and how profit will be taxed under Kenyan jurisdiction. This creates uncertainty in terms of issues of double taxation and ways of seeking redress given that this conundrum that is the digital economy has not been fully developed in most jurisdictions. It remains to be seen how these pertinent questions will be addressed.

Effective Date: 1st October 2019

2. Dividend distributed out of untaxed gains

The Bill proposes to exclude income that is exempt from tax from the provisions of Section 7A.

The Finance Act 2018 had previously introduced a 30% tax on dividends distributed out of untaxed gains. However, it was unclear on whether this provision applied to exempt income. This clarifies that dividends paid out of exempt income shall not be subject to tax at 30%.

This clarification will prevent operation of the law in a lacuna without the clarification which shall ease the implementation and collection of the taxes.

Effective Date: 1st October 2019

3. Clarification of Taxable Income of Non-resident Ship owners

The Bill seeks to delete provisions relating to WHT on Demurrage charges that were previously introduced through the Finance Act 2018. This is in a bid to align demurrage to the provisions of Section 9(1), which provides for taxation of income on non-resident shipping lines derived in Kenya. This is a clarification to specify that demurrage charges are part of freight which are subject to freight tax accounted for by agents of the shipping lines. There is however no clear distinction on the applicability of this proviso on outbound or inbound cargo.

Effective Date: 1st October 2019

4. Clarity on Withholding Tax scope

The Bill seeks to widen the scope of application of Withholding Tax to include;

- Security services;
- Cleaning and fumigation services;
- Outside catering services;
- Transportation of goods (excluding air transport services);
- Sales promotion services; and
- Marketing and advertising services.

This move is geared towards bringing clarity and broadening the scope in situations where the definition of "professional services" was disputable in its interpretation as it was broad and vague.

Effective Date: 1st October 2019

5. Clarity on WHT on reinsurance premiums paid to non-residents

The Bill seeks to introduce WHT on reinsurance premiums paid to non-residents.

The Finance Act 2018 imposed WHT on insurance premiums paid to non-residents. However, it was unclear whether the same applied to reinsurance. The Bill strives to clarify this by specifically including reinsurance premiums paid to non-residents to WHT.

Effective Date: 1st October 2019

6. WHT on payments made by a Permanent Establishment to its Head Office

The Bill proposes to subject WHT on payments made by a branch to its head office, where the expenses are deductible under the provisions of a DTA. Currently, non-deductible expenses paid by a branch to its head office are not subject to WHT even where the deduction is allowable by the DTA. This will essentially ensure that where a PE receives a deduction benefit through a DTA, then the same income will still be subject to tax in Kenya. This guarantees tax revenues to Kenya.

Effective Date: 1st October 2019

7. Reintroduction of Turnover Tax

The Bill intends to re-introduce turnover tax at a rate of 3% of the gross receipts of the business to be paid by resident persons whose annual turnover does not exceed Kshs. 5 Million. The tax will be payable on or before the twentieth day of the following month.

However, this does not eliminate the presumptive tax initially in introduced through Finance Act 2018. Presumptive tax will be maintained at a rate of 15% of the business permit/trading license fee and will be offset against the amount of tax payable.

This will regulate tax collection and promote equitable taxation by ensuring that taxes paid are proportionate to the taxpayer's revenues. Further, the retention of presumptive tax will provide information to the Commissioner hence easing verification of tax compliance.

Effective Date: 1st January 2020

8. Exemption of Investee companies under collective investment schemes

The Bill seeks to amend section 20(1) (c) to expand the exemption on collective investment schemes to include the investee companies. This is an extension of these incentives to an investee company.

Effective Date: 1st October 2019

9. **Increase in Capital Gains Tax (CGT)**

The Bill proposes to increase the rate of CGT from 5% to 12.5% as an aim to harmonize the rate with that of other jurisdictions within the East African Community Block.

The impact of this is that it shall lead to the collection of more revenues.

Effective Date: 1st October 2019

10. **Exemption of Transfer of Property from Group Restructuring from CGT**

The Bill proposes to exempt from CGT, the transfer of property necessitated by restructuring of corporate entities where such transfer is:

- A legal or regulatory requirement;
- As a result of directive or compulsory or compulsory acquisition by the government;
- An internal restructuring within a group which does not involve transfer of property to a third party; or
- In public interest and approved by the cabinet secretary.

This exemption will foster restructuring aimed at enhancing efficiency and certainty.

Effective Date: 1st October 2019

11. **Removal of penalties**

The Bill seeks to delete Section 72D which provides for penalty on late payment of tax at a rate of 20% as the same is provided for under Section 83A of the TPA at the rate of 5%. This is aimed at eliminating ambiguity in the interpretation of the law by harmonizing its application with the provisions of the Tax Procedures Act.

12. **Income from National Housing Development Fund**

The Bill proposes to exempt from tax, the income of the National Housing Development Fund. This move will ensure that the Fund has enough revenue to facilitate the affordable housing project which is part of by the government's Big Four Agenda.

13. **Income from individuals under the Ajira Digital Program**

Ajira Digital program is an initiative by the government to ensure job creation for the youth through an online portal that enables them access online job opportunities. As such, through the introduction of this program, Bill 2019 proposes to exempt registered members from corporation tax. However, they shall be required to pay an annual fee of Ksh. 10,000 for the first 3 years.

This move is aimed at incentivizing the youth to opt for online jobs by joining the platform without fear of taxation at the wake of taxation of the digital economy.

However, it remains to be seen whether the "jobless" registered members will be able to raise the Ksh 10,000 upfront without the surety that they will get jobs upon registration.

Effective Date: 1st January 2020

14. **Affordable Housing Relief**

The Tax Laws (Amendment) Act 2018 introduced the affordable housing relief at a rate of 15% of an employee's gross emoluments. However, the Bill seeks to amend the base of the relief to an employee's contribution in a bid to avoid the risk of employees earning more relief than their contribution.

Effective Date: 1st October 2019

15. Reduction of Corporation Tax Rate for Plastic Recycling Plants

The Bill proposes to lower the rate of Corporation tax for any investor operating a plastic recycling plant to 15% in the first 5 years of operation.

This will promote recycling of plastics which is in line with the Sustainable Development Goals and will aid in ensuring that the Environment and Natural resources are preserved accordingly for sustainable development.

Effective Date: 1st October 2019

B. TAX PROCEDURES ACT

1. Exemption from PIN requirement

The Bill seeks to amend the TPA to grant powers to the Commissioner to exempt persons from the requirement to obtain a PIN before opening bank accounts, where there is reasonable cause to do so.

Currently every individual, including foreigners are required to provide PIN details before opening bank accounts.

This move aims at facilitating and promoting business as the PIN acquisition process is at times lengthy and hinders business, especially by foreign investors.

Effective Date: 1st October 2019

2. Tax Amnesty for SMEs that List on the Growth Segment

The Bill proposes a three-year tax amnesty on all penalties and interest incurred in any year prior to listing for companies that list on the growth segment of a securities exchange in Kenya. However, this is on the condition that the company pays the principal tax in full and makes full disclosure of its past income, assets and liabilities for the two years immediately preceding the date of listing.

The amnesty shall not extend to cases where the company has been assessed or is under audit or investigation in respect of the undisclosed income.

Additionally, the Bill proposes that should a company choose to delist before expiry of a 5-year period, all taxes prior to being listed in the securities exchange shall become payable.

This will incentivize more SMEs to list in securities exchange under the Growth and Enterprise Market Segment (GEMS) in Kenya while contributing towards economic growth.

Effective Date: 1st October 2019

3. Recovery of Taxes

The Bill proposes to amend the TPA by introducing a provision that grants the Commissioner the power to recover taxes from a person who fails to deduct or withhold tax under a tax law.

This will see an increase in the level of tax compliance as persons liable to deduct and remit taxes will be more vigilant to avoid incurring undue taxes, penalties and interest.

Effective Date: 1st October 2019

4. Reduction of Withholding VAT rate

The Bill proposes to reduce the rate of Withholding VAT from 6% to 2%. Moreover, it seeks to exclude zero-rated supplies from withholding VAT. This will reduce withholding VAT credit as there are currently no refunds for Withholding VAT.

Effective Date: 1st October 2019

5. Departure Prohibition Order (DPO)

The Bill proposes to amend Section 45 of the TPA to include tax representatives of companies. If approved, the Commissioner may issue a person with a DPO for taxes owned in a company where they are a tax representative.

Making tax representatives personally liable will boost compliance by reducing instances of tax evasion and non-compliance.

Effective Date: 1st October 2019

6. Objection Decision Period

The Bill seeks to amend Section 51 to provide for the period in which the Commissioner is required to issue an objection decision to within 60 days of receiving the notice of objection or any additional information the Commissioner may require from the taxpayer. However, the law may operate in a lacuna, because the precise period within which the commissioner may seek additional information is not limited. This will create a never ending dispute resolution process that will be unfair to the taxpayer.

7. Determination of Late Submission Penalty

The Bill proposes to deduct WHT and any tax paid from the principal amount upon determination of the penalty to be paid. The effect of this move is to create fairness, so that taxes already paid are accounted for and not calculated within the principal in determining the penalty payable.

8. Tax Shortfall Penalty

The Bill seeks to delete Section 84(2)(b) of the TPA to exclude shortfall penalty on unintentional omission by a taxpayer. This will ensure that the penalty shall be justifiably excluded where the taxpayer had no intention to mislead the Revenue Authority and its officers.

9. Transaction requiring PIN

The Bill proposes to make it mandatory for professional bodies and licensing agencies demand PINs from its members during registration and renewal of membership.

Further, telecommunication operators will also be required to demand PIN details during registration of mobile cellular pay bill and till numbers.

This will enhance compliance and ensure that all taxpayers are duly registered making it easier for KRA to collect taxes.

C. MISCELLANEOUS FEES AND LEVIES ACT

1. Refund of adulteration levy

The Bill intends to amend Section 8A of the Act, making importers of illuminating kerosene used by licensed and registered manufacturers of paint, resin or shoe polish, eligible for a refund of adulteration levy upon the approval of the Commissioner.

The adulteration levy was introduced by the Finance Act 2018 to curb fuel adulteration. However, this has had a negative effect on businesses that use illuminating kerosene as a raw material in manufacturing. This will reduce the cost of production and that of finished products while ensuring that legitimate businesses are not penalized for the misuse by others.

2. Import Declaration Fee

The Bill seeks to increase the rate of IDF on imported finished goods from 2% to 3.5% of their customs value. The Act also reduces the rate of IDF on raw materials imported by approved manufacturers to 1.5% of their customs value from 2%.

This is aimed at boosting local manufacturing.

3. Railway Development Levy

The Bill proposed to increase the rate of RDL on imported goods from 1.5% to 2%. However, the RDL rate on raw materials is retained at 1.5%.

This move is an attempt by the government to encourage local manufacturing and as a result, job creation.

4. Export Levy

The Bill proposes to amend the first schedule of the Act by imposing export levy at the rate of 10% on tanned and crust hides and skin. This is aimed at promoting local manufacturing of leather products.

D. MISCELLANEOUS

The Bill also seeks to amend the following Acts as follows;

1. The Privileges and Immunities Act (Cap. 179)

The Bill seeks to amend the Fourth Schedule to exempt imported or locally purchased goods/services by privileged organizations for their official use from taxes.

2. The Capital Market Act (Cap. 485)

The Bill proposes to introduce financial penalties as civil debts by the Capital Markets Authority. They are mandated to recover debts according to recovery of decretal sums. The amendment is intended to enhance enforcement and recovery of financial penalties imposed by the Authority.

3. The Banking Act (Cap. 488)

The Bill seeks to amend the Act by repealing section 33B to remove the caps on interest charged on loans. This is aimed at encouraging the banks to provide credit to Small and Medium Enterprises (SMEs).

4. The Retirements Benefits Act (No. 3 of 1997)

The Bill seeks to activate the benefits and other accrued income of members of retirement benefits schemes who cannot be traced and that were rendered redundant with the enactment of the Unclaimed Financial Assets Act, 2011.

The Bill proposes a time limit on transfer of scheme funds to guaranteed funds from 3 years to 1 year over a transfer period. This reduces exposure to low returns.

5. The Employment Act (No. 11 of 2008)

The Bill seeks to delete the definition of "employee's earnings" from the Act and introduce the definition of "basic salary" defined as the employee's gross salary excluding allowances and benefits, to guide on the base amount for computing the levy payable to the National Housing Development Fund.

6. The Accountants Act (No. 15 of 2008)

The Bill proposes to remove the requirement for accounting students to register with ICPAK before qualifying as accountants.

7. The Proceeds of Crime and Anti-Money Laundering Act (No. 9 of 2009)

The bill seeks to broaden the spectrum of reporting entities to whom the obligations of Anti-Money Laundering/Combating Financing of Terrorism shall apply to include legal practitioners.

E. VAT

1. Definition of supply of imported services

The proposed amendment of the definition of "supply of imported services" is set to include supplies made to all persons. Previously the definition was limited to supplies made by a non-registered person to a registered person. The proposed amendment will include non-registered persons as well.

The implication of this is that the revenue base is broadened by ensuring that all persons importing vatable services pay VAT. This however creates an administrative burden for non-registered persons to account for VAT on imported services.

Effective: 1st October 2019

2. Official aid funded projects

The Bill proposes the inclusion of the definition of a concessional loan in the VAT Act 2013. The term is used to define what constitutes an official aid funded project. The term will be defined as a loan with at least 25% grant element. This is set to limit the projects that would qualify as an official aid funded projects to those that are financed through grants or concessional loans with at least 25% grant element.

This therefore means that not all projects will qualify for tax exemptions as official aid funded projects unless the set threshold is met and approval for exemption granted. Similar proposals have been made in the Excise Duty Act with regard to official aid projects.

Effective: 1st October 2019

3. Clarification of chargeability to tax for transactions in the digital economy

The proposed amendments set to bring the digital economy under the ambit of tax include, the proposed introduction of VAT on supplies made through a digital platform. A digital platform is defined as a platform enabling buyers and sellers to transact through electronic means. This is a general definition set to capture taxpayers transacting through a digital platform.

The proposed taxation of the digital economy is in line with BEPS initiatives to prevent tax erosion. This is by ensuring that tax measures are able to adapt with evolving business models. This will essentially create a need for operators within the digital economy to be registered and account for VAT locally. It remains to be seen how this will be administratively done by KRA considering most players in this sector are not tax resident in Kenya and also the aspect of ascertaining the level of self-assessment by these companies.

Effective: 1st October 2019

4. Tax Point for SEZ's supply

The proposed amendment to the definition of Time of supply of goods and services will provide more insight in the case of SEZ. The definition has been broadened to include the time goods are removed from an SEZ for local/home use. This is such that the tax point for a supply by an SEZ to a person not within the SEZ, will be at the point of importation.

This clarifies the tax point when goods are supplied from an SEZ.

Effective: 1st October 2019

5. Formula to determine the amount due as a refund for taxpayers supplying both general-rated and zero-rated supplies

Proposal is to amend the VAT refund formula as follows:

R=Z/T*i

R, is the value of input tax relating to zero rated supplies

Z, is the total value of the zero rated supplies

T, is the total value of taxable supplies and,

i, is the deductible input tax for the month of supply

Suppliers of zero rated supplies will fully recover input tax related to those supplies. The refundable amount was previously a fraction of excess input tax for the month.

6. Clarification of exported services

The VAT regulations proposed to be amended under the definition of exported services. The words "irrespective of where the payment is made" are added to sub-paragraph (b) to clarify that the location of the person paying for exported services is immaterial. Only the location where the service is consumed matters.

This amendment tries to bridge the gap in terms of place of final consumption principle as this has been a major dispute area on where the place of final consumption is.

7. Changes in VAT status (Effective: 1st October 2019)

Item	Current status	Proposed status
Supplies of specialized equipment for the development and generation of solar and wind energy	All supplies are exempt	Limit exemption to supplies approved by Cabinet Secretary for matters responsible for energy
Tractors	All tractors are exempt	Supply of tractors excluding road tractors used for semi-trailers.
Supplies of inputs or raw materials for electric accumulators and separators including lead battery separator rolls whether rectangular or square supplied to manufacturers of automotive and solar batteries in Kenya	Zero-rated.	Exempt
Agricultural pest control products	Standard rated	Exempt
Supplies of locally manufactured motherboards and inputs for manufacture of motherboards	Standard rated	Exempt
Supplies of plant, machinery and equipment used in construction of plastics recycling plant	Standard rated	Exempt.
Supplies of stock exchange brokerage services	Exempt--Limited to brokerage services related to stocks.	"Stock" replaced with "securities" as the term securities has a wider coverage compared to stock.
Supply of denatured ethanol	Standard rated	Zero rated

F. EXCISE DUTY

1. Excise duty on betting transaction

In a bid to discourage betting activities, the CS proposes the introduction of 10% excise duty on betting services. The tax base will be the stake and the tax point will be the point of staking. Previously excise duty was imposed only on the winnings. The introduction of the taxing point broadens the tax base to anyone who engages in betting regardless of the outcome.

Effective: 1st October 2019

2. General penalty

The Bill proposes to introduce a general penalty of a fine not exceeding 2 million shillings or imprisonment for a term not exceeding 2 years or both. The general penalties seek to cover offences under the act or regulations that no specific penalty has been prescribed. This proposal seeks to ensure that there are no offences that will go unpunished. Consequently, this will promote compliance.

Effective: 1st October 2019

3. Excise duty on other fees

The Bill also proposes to amend the definition of other fees by stating that premium based or related commissions are those specified under insurance Act or other regulations. The amendment brings clarity on which premium based or related commissions are exempt to avoid any ambiguity and abuse.

Effective: 1st October 2019

4. Inflationary adjustment date

The Bill seeks to change the adjustment day for the annual inflationary adjustment from 1st July of every year to 1st October of every year. This change is geared towards giving the Commissioner ample time to comply with all the legal requisites before publishing the legal Notice on inflationary adjustments. This will ensure the rates come into force concurrently with the provisions of Finance Act.

Effective: 1st October 2019

5. Excisable Goods Management Amendment

First Schedule: Rates for Excisable Goods

Clause 23 of the Bill proposes the following changes;

Description	Current rate	Proposed rate
Cigars, cheroots, cigarillos, containing Tobacco or tobacco substitutes	Shs10,000 per kg	Shs12,098 per Kg.
Electronic Cigarette	Shs3,000 per unit	Shs3,629 per unit
Cartridge to be used on electronic cigarette	Shs2,000 per unit	Shs2,420 per unit
Cigarettes with filters(Hinge lid and soft cap)	Shs2,500 per mile	Shs3,025 per mile
Cigarettes without filters(Plain cigarettes)	Shs1,800 per mile	Shs2,177 per mile
Other manufactured tobacco and manufactured tobacco substitutes ‘homogeneous ‘reconstituted ‘tobacco extracts and essences	Shs7,000 per Kg	Shs8,469 per Kg.
Wines including fortifies wine and other alcoholic beverages obtained through fermentation of fruits	Shs150 per litre	Shs181 per litre
Spirits of undenatured ethyl alcohol ,spirits, liquors and other spirituous beverages of alcoholic strength exceeding 10%	Shs200 per litre	Shs242 per litre
Motor vehicles of tariff heading 87.02.87.03 excluding i. Locally assembled motor vehicles ii. School buses for use by public schools iii. Motor vehicles of tariff no.8703.24.90 and 8703.33.90 iv. Imported motor vehicles of cylinder capacity exceeding 1500cc	20%	20%
Imported motor vehicle of cylinder capacity exceeding 1500cc and of tariff head 87.02,87.03,87.04	20%	25%
Motor vehicles of Tariff head 8703.24.90 and 8703.33.90	30%	35%
100% electric powered motor vehicles of tariff no.8702.40.19,8702.40.22,8702.40.91,8702.40.99 and 8703.80.00	20%	10%
Plastic shopping bags	120 per Kg	Deleted

G. CUSTOMS DUTIES

1. Duty Remission

Item	Current	Proposed Amendment
Wheat grain	35%	Extension on duty remission to allow gazetted millers to import wheat grain of tariff 1001.99.10 and 1001.99.90 at the rate of 10% for one year.
Motorcycle kits	10%	Gazetted Motor Cycle Assemblers in EAC granted extension of duty remission to import Motor Cycle CKD Kits at an import duty rate of 10% for one year.
Sugar for industrial use	10%	Maintain duty at 10%
Inputs/Raw Materials for the manufacture of Energy Saving Stoves	0%	Extension of remission of duty to allow gazetted manufacturers to import the inputs at a duty rate of 0% for one year.
Materials used in the manufacture of radiators		Remission of duty on raw materials used for manufacture of radiators by gazetted manufacturers at a duty rate of 0% for one year.
Aerosol cans	25%	Extension of remission of duty on aerosol cans used in packaging of insecticides and acaricides to be imported at a duty rate of 0% of one year by gazetted manufacturers.
Materials used in the manufacture of leaf springs	0%	Extension of remission of duty on inputs and raw materials used for manufacture of leaf springs for gazetted manufacturers at a duty rate of 0% for one year.
Roofing Tiles coated with acrylic paint	10%	Extension of duty remission on inputs used in manufacture of roofing tiles coated with acrylic paint of HS Code7308.90.10 to allow gazetted manufacturers to import the inputs at a duty rate of 10% for one year.
Materials of Tariff Codes 7213,99.00,7304.31.00 and 9401.90.00	25% or USD200/T whichever is higher 10% 25%	Remission of duty on raw materials of tariff lines 7213.99.00 (not available locally,7304.31.00 (used in manufacturing motor cycle components) and 9401.90.00(used in the manufacture of motor vehicle seat recliner systems by gazetted manufacturers for one year

2. Stay of application for CET rates(Effective 1st July 2019)

Item	Proposal
Rice	Extension of the stay of application of the CET rate on rice of tariffs 1006.10.00, 1006.20.00, 1006.30.00, and 1006.40.00 to apply a rate of 35% or USD 200/MT whichever is the Higher.
Paper and Paper Board	Apply duty at a rate of 25% for a further one-year period.
Leather and Footwear Sector	Attract duty of 25% or USD 5 per pair whichever is higher for items of HS Code 6405.10.00,6403.20.00 and 6403.40.00 Or 25% or USD 2.5 per pair whichever is higher for items of HS Code 6401.10.00, 6401.92.00,6401.99.00,6402.19.00,6402.20.00,6402.91.00,6402.99.00,6405.20.00, 6404.90.00.
Edible Oil Sub-Sector	Apply duty at a rate 25% or USD 500/MT of following HS Codes whichever is higher for one year:- 1507.90.00, 1511.90.30,1511.90.40,1511.90.90,1512.19.00, and 1515.29.00
Textiles and Apparel Sector	Apply duty at a rate of 35% for all items of Chapter 60, Chapter 61 and Chapter 62 of the CET Nomenclature except items of HS Codes 6211.42.10,6211.43.10,6211.49.10
Skillets, Free Hinge Lid Packets	25% on skillets of tariff 4819.20.10 for a period of one year.
Road Tractors for Semi Trailers	25% duty on road tractors of tariff 8701.20.90 for a period of one year.
Safety Matches	Apply a duty rate 25% or USD 1.35/Kg whichever is higher on safety matches of HS Code 3605.00.00 for a period of one year.
Styrene Acrylic	Apply a duty rate of 10% instead on styrene acrylic of tariff 3903.20.00 for a period of one year.
Polymers of Vinyl Acetate	Apply a duty rate of 0% on styrene acrylic of tariff 3905.91.00 for a period of one year.
Worn Clothing	HS code 6309.00.10 to apply a rate of 35% or USD 0.2/Kg for a period of one year.
Prefabricated Buildings	HS code 9406.90.90 to apply a rate of 35% or USD 250/MT
Metal and Allied Sector	Extension of stay application of the CET rate and apply 10% or USD 125/MT or USD whichever is higher for items of the following HS Codes:- 7209.16.00, 7209.17.00, 7209.18.00, 7209.26.00, 7209.27.00, 7209.28.00, 7209.90.00
	25% or USD 250/MT whichever is higher for items of the following HS Codes:- 7210.30.00, 7210.41.00, 7210.61.00, 7210.69.00, 7210.70.00, 7210.90.00,7212.20.00, 7212.30.00, 7212.40.00, 7212,50,00, 7216.31.10, 7216,32.10, 7216.33.10, 7216.40.10, 7217.10.00, 7222.11.00, 7222.19.00, 7222.20.00, 7222.30.00, 7222.40.00, 7225.91.00, 7225.92.00, 7308.10.00, 7308.20.00, 7308.30.00, 7308.40.00, 7308.90.91, 7308.90.99, 7326.90.90,
	Apply 35% or USD 250/MT whichever is higher for items of the following HS Codes:- 7318.15.00, 7318.16.00
	Apply 10% or USD 125/MT whichever is higher for items of the following HS Codes:- 7 209.16.00, 7209.17.00, 7209.18.00, 7209.26.00, 7209.27.00, 7209.28.00, 7209.90.00, 7211.23.00, 7212.60.00, 7225.50.00, 7226.92.00, 7226.99.00, 7211.90.00, 7212.20.00.
	Apply 25% or USD 125/MT whichever is higher for items of the following HS Codes:- 7211.29.00
	Apply rate of 0% for items of HS Codes 7225.30.00
	Apply 25% or USD 275/MT whichever is higher for items of HS Code 7225.99.00

Let's talk

For further information on how the proposed tax provisions will affect your business or assistance on any other matter kindly contact your regular Taxwise Africa analyst or the contacts below.

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