

**EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (DUTY REMISSION)
REGULATIONS, 2008**

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THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (DUTY REMISSION) REGULATIONS, 2008

IN EXERCISE of powers conferred by Section 140 of the East African Community Customs Management Act, 2004, the Council of Ministers makes these Regulations this 17th day of March 2008-

Citation and commencement.

1. (1) These Regulations may be cited as the East African Community Customs Management (Duty Remission) Regulations, 2008.

(2) These Regulations shall come into force on such date as the Council may, by notice published in the Gazette, appoint.

Interpretation.

2. In these Regulations, unless the context otherwise requires-

“Committee” means the Duty Remission Committee established under regulation 4;

“manufacture” means any process by which a commodity is finally produced and includes assembling, packing, bottling, repacking, mixing, blending, grinding, cutting, bending, twisting, joining, or other similar activity;

“manufacturer” means a manufacturer or producer to whom remission is granted and published in the Gazette in accordance with section 140 of the Act.

Goods on which remission may be granted.

3. The Council may grant remission of duty under section 140 of the Act on -

(a) goods imported for use in the manufacture of goods for export;

(b) such goods imported for use in the manufacture of approved goods for home consumption as the Council may, from time to time, by notice in the Gazette, determine.

Duty Remission Committee.

4. (1) The Commissioner shall establish a committee to be known as the Duty Remission Committee.

(2) The Committee shall comprise of a representative from-

(a) the ministry responsible for finance;

(b) the ministry responsible for trade and industry;

- (c) the body representative of manufacturers;
- (d) the Customs; and
- (e) any body or institution the Commissioner may deem fit to appoint.

(3) The Committee shall be chaired by the representative from the Ministry responsible for finance.

(4) The quorum for the Committee shall be three members which shall include the representatives of the Ministry responsible for Finance and the Customs.

(5) The Committee shall formulate its own procedures for the conduct of its business.

(4) The functions of the Committee shall be to –

- (a) receive, vet and process applications for remission made under regulation 5 and advise the Council, through the Commissioner, with respect to these applications;
- (b) advise the Council, through the Commissioner, on manufacturers and quantities of goods in respect of which remission may be granted under these Regulations;
- (c) perform any other function that may be assigned by the Commissioner.

(5) In the performance of its functions under sub regulation (4), the Committee shall have powers to-

- (a) require the applicant to furnish it with such further information or document as it may deem necessary;
- (b) inspect the premises in which goods in respect of which these regulations apply are manufactured or kept.

Application for remission of duty.

5. (1) An application for remission of duty shall be made to the Council through the Commissioner in **Form R 1** in the Schedule to these Regulations.

(2) Upon receipt of an application for remission, the Commissioner shall forward the application to the Committee for its comments.

(3) The Commissioner shall after receiving the comments under sub regulation (2) forward the application together with his or her comments to the Council.

(4) The Council may for reasons to be communicated to the applicant

reject an application for remission under these Regulations.

Validity of Duty Remission.

6. (1) Remission of duty granted under these Regulations shall be valid for a period of twelve months from the date of the publication of the grant in the Gazette.

(2) The Council, may on the application by a manufacturer, grant remission on such further quantity of goods to be imported by the manufacturer under these Regulations.

(3) The Council may, on application by a manufacturer, extend the period referred to in sub regulation (1) for a further period of six months.

Conditions attached to remission of duty.

7. (1) A manufacturer of goods for export shall -

(a) pay duty on any imported goods that are not used in the manufacture of goods for export or where the goods so manufactured are not exported;

(b) submit returns quarterly, to the Commissioner giving relevant information as the Commissioner may require.

(2) A manufacturer of goods for home use shall-

(a) pay duty on any imported goods that are not used in the manufacture of goods for which such goods were approved;

(b) submit returns quarterly, to the Commissioner giving relevant information as the Commissioner may require.

(3) Where a manufacturer is liable to pay duty under subregulation (1) (a) suregulation 2(a), the manufacturer shall, in addition to paying the duty applicable, be liable to pay a penalty of ten percent of the dutiable value.

(4) A person who fails to submit returns as required under this regulation commits an offence and shall be liable on conviction to a fine of two thousand dollars.

Entry and bond for goods imported.

8. (1) Imported goods to which these Regulations apply shall be entered using Form **C 17**.

(2) A manufacturer of goods imported for use in the manufacture of goods for export under these regulations shall execute a bond in accordance with sections 106 and 107 of the Act using Form **CBR 1**.

(3) A bond executed under sub regulation (2) shall cover the entire quantity approved and published in the Gazette by the Council.

Cancellation of bond.

9. A security bond shall be cancelled upon –

- (a) proof of exportation of the manufactured goods;
- (b) payment of duty and the penalty under regulation 7;
- (c) proof of transfer of goods under regulation 11;
- (d) proof of destruction of the goods.

By-products, scrap or waste from process of manufacture.

10. Where a by-product, scrap or waste of commercial value results from a process of manufacture or production utilizing goods subject to duty remission, duty shall be payable on the prevailing value of the by-product, scrap or waste in accordance with the Act, unless the by-product, scrap or waste is exported or destroyed under the supervision of the proper officer.

Transfer, etc. of goods.

11. (1) Manufactured goods resulting from approved imported goods under these Regulations may be transferred to another manufacturer, with the approval of the Commissioner, to another manufacturer for use in the manufacture of goods for export.

(2) The transfer of goods under sub regulation (1) shall-

- (a) be in **Form R 2**;
- (b) be secured by a bond executed using **Form CBR 2** by the recipient of the transferred goods and shall be in such amount as may be determined by the Commissioner.

Commissioner may authorise re-exportation.

12. The Commissioner may authorize re-exportation of goods on which duty remission is granted under these Regulations.

Maintenance of books and records.

13. A manufacturer shall maintain separate books and records relating to-

- (a) locally sourced goods;
- (b) goods imported by the manufacturer;
- (c) goods received by a manufacturer by way of transfer under regulation 11.

Powers of a proper officer.

14. A proper officer may inspect and verify books and records, production facilities of a manufacturer and examine any goods or materials within the production facility or any storage place relating thereto.

Revocation of grant

- 15.** The Council may for reasons to be communicated to the applicant revoke a grant of duty remission.

SCHEDULE

FORMS

FORM R 1

APPLICATION FOR GAZETMENT UNDER THE DUTY REMISSION SCHEME

FOR ALL INFORMATION PROVIDED, ATTACH RELEVANT SUPPORTING DOCUMENTS. COMPLETE THE APPLICATION AND ATTACH SUPPORTING DOCUMENTS. (If the space provided is not enough, attach extra sheets)

1. Company name, TIN, address and location

2. Company Telephone Nos. (including area code)

3. Company Fax No and E-mail Address

4. Company Directors

Company contact person & title

5. (i) Company Auditors, Address and Telephone Nos

(ii) Company Bankers, Address and Telephone Nos

(iii) Customs Agent(s) Address and Telephone Nos, where applicable

6. State your annual import requirements for inputs

<u>Tariff No.</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit of measure</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

7. Indicate the finished products to be manufactured using 6 above

<u>Tariff No.</u>	<u>Description</u>	<u>Quantity</u> (if available)	<u>Unit of measure</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

8. Indicate the source(s) of your inputs

9. List the market(s) for your products

10. Please attach copies of the following documents:-

- (i) Company Incorporation Certificate
- (ii) A detailed production plan processes for your company indicating standard formula for manufacturing, throughput period and estimated wastes or losses incurred.

Declaration

I declare that all the information provided above is correct to the best of my knowledge -

Name_____ Title_____

Signature _____ Date_____

Company Stamp_____

TRANSFER OF GOODS FOR EXPORTS

PART A: TO BE COMPLETED BY THE TRANSFEROR	
1. Name and Address of Transferor PIN/TIN	2. Name and Address of Transferee PIN/TIN
3. Legal Notice No. (Transferor) Date:	4. Legal Notice No. (Transferee) Date:
5. Transferor Customs Bond No.	6. Transferee Customs Bond No.
7. Description of goods to be transferred	8. Ex-factory value (US\$)
	9. H.S. Code
11. I certify that I have transferred the above goods and duty liability to the transferee named in box 2. Name Title Signature Date	
PART B: TO BE COMPLETED BY THE TRANSFEREE	FOR OFFICIAL CUSTOMS USE
12. I certify that I have received the above goods and that I undertake to comply with the conditions of the EAC Duty Remission Regulations	I hereby certify that the transferor has duly transferred the goods manufactured under the Duty Remission Regulations as gazetted under Legal Notice No..... dated.....to the transferee named in

Name	box 2 above.
...	
Title	Date.....
.....
Signature
.....
Date	Proper Officer

BOND FOR GOODS IMPORTED FOR USE IN THE PRODUCTION OF GOODS FOR EXPORT

I/we.....
.....

of
and.
of

hereby acknowledge that I am/we are bound to the Commissioner in the sum of
dollars to be paid to the Commissioner for which payment I/we bind myself / ourselves jointly and
severally and also to my / our heirs, executors, administrators and assigns and every of them firmly by
these presents.

Dated this.....day of 20

I/We have given notice of my/our intention to import goods for use in the production of goods for
export as *gazetted* under Legal Notice No.

I/We understand that the condition of this obligation is that the specified imported goods shall be used
in the production of goods for export as specified in East African Community Customs Management
(Duty Remission) Regulations 2007.

That I/we further understand that the fulfillment of this condition shall discharge this obligation, but
that this obligation shall be and remain in force in the event of non-fulfillment of this condition.

Signed sealed and delivered by

the above named.....

in the presence of.....(name)
.....(designation)
of.....(address)

Signed sealed and delivered by

the above named.....

in the presence of.....(name)
.....(designation)
of.....(address)

Approved :

.....
Commissioner

BOND FOR THE TRANSFER OF GOODS IMPORTED FOR USE IN THE PRODUCTION OF GOODS FOR EXPORT FROM ONE MANUFACTURER TO ANOTHER

I/We(transferee).
of.....
and.....(guarantor).
of.....
hereby give notice of the transferee's intention to transfer imported goods for use in the production of goods for export as *gazetted* under Legal Notice No. fromof.....(the transferor)

And

The transferee hereby undertakes to receive imported goods for use in the production of goods for export and that the transferee and the guarantor are collectively bound to the Commissioner in the sum of dollars to be paid to the Commissioner for which payment we bind ourselves jointly and severally and also to our heirs, executors, administrators and assigns and every of them firmly by these presents.

Dated this.....day of 20

Both the transferee and guarantor understand that the condition of this obligation is that the specified imported goods shall be used in the production of goods for export as specified in East African Community Customs Management (Duty Remission) Regulations 2007.

That we collectively further understand that the fulfilment of this condition shall discharge this obligation, but that this obligation shall be and remain in force in the event of non-fulfilment of this condition.

Signed sealed and delivered by
the above named transferee.....

} _____

in the presence of.....(name)
.....(designation)
of..... (address)

Signed sealed and delivered by
the above named guarantor

} _____

in the presence of.....(name)
.....(designation)
of.....(address)

Approved :

.....
Commissioner