Tax Alert

July 2026

East African Community Gazette Notice

A notable change is the stay of EAC CET application on goods imported for the direct and exclusive use in the implementation of infrastructure projects.

Introduction

On 30 June 2026, the East African Community ("EAC") Secretariat published the EAC Gazette, which highlights changes effected by the Council of Ministers ("the Council") to the East African Community Customs Management Act, 2004 ("EACCMA") and the East African Community Common External Tariff, 2022 ("EAC CET"), with effect from 1 July 2026.

The Gazette details country-specific stays of application of the EAC CET rates for one year, duty remissions, and changes to duty rates across a broad range of goods. This alert highlights changes affecting Kenya and key developments impacting other EAC Partner States.

Stays of application of the EAC CET rates specific to Kenya

A notable change is the stay of EAC CET application on goods imported for the direct and exclusive use in the implementation of infrastructure projects undertaken under a Public-Private Partnership ("PPP") framework, in favor of a duty rate of 0%.

The stay is conditional on approval by the Cabinet Secretary for the National Treasury on the recommendation of the Cabinet Secretary for the Ministry responsible for the implementation of the project. This provision is supported by Value Added Tax ("VAT") exemptions availed under the Finance Act, 2026 ("Finance Act") for goods required for similar projects.

The following items are subject to lower duty rates: lithium-ion batteries (8507.60.00); rice (tariff heading 1006); worn items of clothing (6309.00.10); and dates (0804.10.00) for January–February 2027.

The Council also approved various other stays of application of the EAC CET duty rates. Some items will be subject to higher duty rates: mobile phones (8517.13.00 & 8517.14.00); optical fibre cables (8544.70.00); iron and steel and their articles (Chapters 72 and 73), including containers for compressed or liquefied gas (7311.00.10) and Liquefied Petroleum Gas ("LPG") stoves (7321.11.00); road tractors, trailers and semi-trailers of tariff headings 8701 and 8716; lubricants (2710.19.51); lubricating greases (2710.19.52); crude palm oil (1511.10.00); all motor vehicles of tariff headings 8702, 8703 & 8704; baby diapers (9619.00.90); furniture of heading 9403; and various wood items such as particle boards, fibre boards, plywood and blockboard (headings 4410, 4411 & 4412), many of which will also be subject to 30% Excise duty under the Finance Act.

Duty-rate increases from 0% to 10% apply to magnetic, optical, and other media recorded with software, including operating systems, antivirus software, office suites, accounting software, and similar packaged programs sold on Compact Discs ("CDs"), Digital Versatile Discs ("DVDs"), or Universal Serial Bus ("USB") drives (HS codes 8523.29.20, 8523.49.10 & 8523.80.10). Smart cards recorded with software would remain at 0% duty. This is the first change since the EAC CET was revised to split what had formerly been a single tariff code for "software".

The amendment comes shortly after the World Trade Organization ("WTO") moratorium on duties for digitally delivered products expired on 30 March 2026, after having been in place since 1998. This will increase costs for businesses in Kenya, as the other EAC partner states retain a duty rate of 0% duty.

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The policy direction continues to emphasize protectionist measures to encourage local manufacturing, with a considerable number of changes geared toward revenue collection.

Amendments to duty rates in the EAC CET

In addition to the stays, the Council approved amendments to the EAC CET duty rates for ten items, including but not limited to active yeasts (2102.10.00), lubricants in liquid form (2710.19.51), paper and paperboard products (4802.56.00 & 4802.57.00), ceramic items (6907.21.00, 6907.22.00, 6907.23.00, 6907.30.00 & 6907.40.00) and nails and other articles of iron and steel (7317.00.00). In each case, the Council introduced a specific duty rate per unit over and above the existing rates in the EAC CET.

Duty remissions

Kenyan manufacturers will enjoy a one-year remission of duty on the following raw materials and industrial inputs:

#	Item description	Applicable duty rates under remission
1	Specific raw materials and inputs for the manufacture of garments and other made-up textile products as per Legal Notice No. EAC/168/2026 within the EAC Gazette.	0% & 10%
2	Hard wheat (1001.99.10) and other items (1001.99.90) for use in the food milling industries.	10%
3	Polyurethanes (3909.50.00) for manufacture of leather and other footwear as well as cold room panels.	0%
4	White refined sugar for industrial use* (1701.99.10) *The EAC Gazette clarified that originating goods from the Republic of Kenya and the United Republic of Tanzania manufactured using sugar for industrial use at the regional remission rate of 10% will be accorded preferential tariff treatment when transferred to the Republic of Uganda.	10%
5	Inputs for the assembly/manufacture of smart telecommunication devices including laptops and tablets.	0%
6	Various inputs for manufacture of animal feeds.	0%
7	Geobitec stone chips (2517.49.00) & Alu-Zinc coated steel coils (7210.61.00) for the manufacture of specific types of roofing tiles.	0%
8	Tubular or bifurcated rivets (8308.20.00) for use in the manufacture of leather goods.	0%
9	Hooks, eyes and eyelets (8308.10.00) for manufacture of leather goods.	0%
10	Other organic surface-active agents (other than soap) (3402.90.00) for use in tanneries for value addition in the leather sector.	0%
11	Water pigments of a kind used for finishing leather (3210.00.10).	0%
12	Lacquers - based on acrylic or vinyl polymers (3208.90.10) used in processing finished leather.	0%
13	Lacquers - paints and varnishes (including enamels and lacquers) (3209.90.90) used in processing finished leather.	0%
14	Pulley tackle and hoists other than skip hoists or hoists of various kinds used for raising vehicles (8425.11.00 & 8425.19.00) and parts suitable for use solely or principally with the machinery of headings 84.26 (8431.39.00) – for use by manufacturers of cranes.	0%
15	Various inputs for assembly of clean rooms imported by pharmaceutical manufacturing companies.	0%
16	Sheets for veneering (4408.90.00) used by manufacturers of furniture.	10%
17	MDF of a thickness not exceeding 5mm (4411.12.00) for manufacturer of doors.	10%
18	Extruded aluminium pipe and fitting of aluminium alloys (7608.20.00) for assembly of compressed air and fluid transfer systems.	0%

Stay of the application of the conditions specified in item 8 of Legal Notice No. EAC/39/2013

Legal Notice No. EAC/39/2013 introduced duty remission for Completely Knocked Down (CKD) motorcycle kits, subject to the condition that it would be enjoyed by assemblers procuring or manufacturing specified parts within the EAC, i.e., main frame, suspension, or a combination of seat and seat frame, mudguard, wheel rim, break gear and exhaust pipe.

The Council continues to suspend the application of these conditions so that motorcycle assemblers can enjoy the duty remission.

Amendment to the Fifth Schedule of the EACCMA

The Council has expanded some import duty exemptions to support government operations and make certain administrative processes easier.

- Goods imported for official use by National Intelligence Services Agencies will now enjoy the same duty-free treatment that was previously available only to the Armed Forces, Police and Prison Services. This means intelligence agencies can import equipment and other official-use items without incurring customs duty, reducing the cost of carrying out their functions.
- Airlines will now be able to import specialized paper used exclusively for printing boarding passes without paying import duty. This is expected to lower operating costs for eligible airlines and support aviation-related operations.
- The amendment relating to relief goods does not introduce a new exemption but clarifies who has the authority to approve duty-free importation of emergency aid supplies during disasters and humanitarian crises. By replacing the reference to the “Director/ Commissioner” with “Competent Authority,” the provision provides greater clarity and flexibility in the approval process.

Changes affecting other EAC Partner States

Uganda stayed the application of the EAC CET rates on goods imported for implementation of projects under a special operating framework with the Government at 0%, subject to approval by the Minister responsible for Finance. It also obtained duty remission on raw materials and inputs for the manufacture of furniture, garments and other textile products.

Rwanda has a similar stay for implementation of projects under a special operating framework with the Government and continues its focus on green energy, with 0% duty applying to electric and hybrid vehicles, electric motorcycles, electric and hybrid buses, and electric and hybrid trucks. Rwanda also stayed the application of the EAC CET rates in favor of lower rates on equipment for the manufacture of garments, other textile products and footwear, and provided duty remission on raw materials and inputs.

Tanzania has stayed the application of EAC CET rates in favor of 0% on smart card imports by the National Identification Authority. Like Rwanda, Tanzania has also stayed the application of the EAC CET rates in favor of lower rates on equipment for the manufacture of garments, other textile products and footwear, and provided duty remission on raw materials and inputs.

Burundi has a similar stay as Uganda and Rwanda for implementation of projects under a special operating framework with the Government. It has also obtained duty remissions on raw materials and inputs for the manufacture of garments and other textile products, and duty remission on various items for the assembly of electric-mobility motorcycles.

Conclusion

We hope you find these highlights useful. For advice regarding how the Gazette may affect your business across the EAC, please contact our experts listed herein. The detailed Gazette may be accessed **here.**

Contact us

For further information please contact any of the people below or your usual PwC contact.

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