



Advocating for You!

KAM Policy, Research and Advocacy Services Matrix

1. Annual Budget Process

Your benefits:

- i) Increased competitiveness
- ii) Reduced cost of production
- iii) Protection from unfair trade practices such as undervalued & mis-declared goods

Detailed process:

1. KAM requests Members for pre-budget proposals (Domestic Taxes and/or EAC Customs Duties) through KAM sectors.
2. The proposals are validated at the sector level and by the Board Committee on Trade & Tax.

Annual Budget Process

3. KAM presents consolidated budget proposals to the Ministry of Industrialization, Trade and Enterprise Development & The National Treasury.
4. KAM requests Members to present challenges out of the Finance Act & EAC Gazette notice for Government engagement.

For assistance, reach out to us on simon.githuku@kam.co.ke

2. Duty Remission Scheme (DRS)

Benefits you'll enjoy:

- i) Cost reduction
- ii) Improved competitiveness

Through the Duty Remission Scheme, manufacturers can import raw materials & inputs for manufacture of products at 0% Duty.

Duty Remission Scheme (DRS)

Detailed description:

- This is an incentive granted to manufacturers who import industrial inputs and raw materials for production of goods.
 - The Scheme is provided for under Section 140 of the East African Community Customs Management Act, 2004.
 - DRS application is done through the Annual Budget Process.
 - DRS is country specific or regional.
- It was originally an export promotion scheme to encourage exports of goods outside EAC (formerly referred to as TREO). It further evolved into a Scheme to serve both domestic and regional markets through Essential Goods Production Support Programme (EGPSP).
- Some of the products under EGPSP include industrial sugar, liquid glucose, wheat, paper for exercise & textbooks, inputs for manufacture of sanitary towels & baby diapers, pesticides, fungicides, insecticides, face masks, PPEs etc.

For assistance, reach out to us on reinhard.wanakacha@kam.co.ke

3. Reduced Rates on IDF/RDL



Reduced Rates on IDF/RDL

Detailed description:

- The Government, in a bid to support the growth of the manufacturing sector, introduced lower rates for Import Declaration Fee (IDF) and the Railway Development Levy (RDL) at 1.5%.
- EAC Duty Remission Section 7 (3) (b) provides that goods imported under the East African Community DRS shall be charged IDF at a rate of 1.5% of the customs value.
- IDF and RDL exemption of inputs and raw materials imported by pharmaceutical products manufacturers are effective in July 2022.

Benefits you'll enjoy:

- Save foreign exchange
- Boosted growth
- Tax relief
- Job creation
- Discouraged import of finished products that can be locally produced (import substitution)
- Increased export volumes
- Increased competitiveness for Kenyan manufactured products in both domestic and regional markets
- Enhanced industrial growth and economic development

For assistance, reach out to us on maria.limo@kam.co.ke

4. Industrial Spares Import Duty Exemption

Detailed description:

- The Exemption promotes the importation of duty-free industrial machinery spare parts used as replacement parts.

Industrial Spares Import Duty Exemption

- The spare parts should not be for resale or any other commercial purpose other than for the replacement of worn out and obsolete parts.

Benefits for you:

- Tax relief, in form of an exemption
- Enhanced working capital
- Job creation
- Reduced cost of production due to lower cost of spares importation
- Increased competitiveness of locally manufactured products
- Encourages investors to invest locally
- Increased export volumes

For assistance, reach out to us on maria.limo@kam.co.ke

5. Work Permits

Your benefits:

1. Overcome skills gap in specific sectors and areas of expertise
2. Cost reduction through transfer of technology, skills and knowledge to Kenyans who are employed as understudies



Work Permits

For assistance, reach out to us on janet.barasa@kam.co.ke.

Detailed Description:

- Foreign nationals who wish to work in Kenya are required to obtain a work permit. However, work permits are only granted in instances where the employer can prove that doing so would be beneficial to Kenya and the position cannot be filled by any suitable Kenyan applicant.
- The different classes will depend on the specific circumstances of the applicant.

6. Dependant Passes

Benefit to you:

Foreign nationals on work permits or permanent residency are allowed to stay with their immediate family members.

Dependant Passes

A dependant pass is issued to a person whose spouse, parent or guardian is lawfully allowed to work in Kenya.

For assistance, reach out to us on janet.barasa@kam.co.ke.

7. Special Passes

- A special pass is issued to a person who wishes to enter or remain in Kenya for a limited period for the purpose of applying for a review of a decision denying a permit; applying for a permit or pass; or temporarily conducting any business, trade, or profession.
- A special pass is issued for at least 1 month to at most 3 months for a particular application. You can only apply for a special pass twice.
- The processing fee paid to the Government is KES 15,000 per applicant, per month.

Detailed description:

Special Passes

Benefit you'll gain:

Manufacturers can get expertise from abroad for a shorter period, e.g., to train local staff or set up machines that require technical expertise.

For assistance, reach out to us on janet.barasa@kam.co.ke.

8. Africa Growth & Opportunity Act (AGOA) Visas

Detailed Description:

AGOA Strategy and Action Plan (2018 – 2023) provides strategies and actions for increasing exports to the USA by offering:

- ✓ Expanded USA market share and buyer diversification
- ✓ Trade facilitation
- ✓ Skills development
- ✓ Increased productivity
- ✓ Trade-support capacity building
- ✓ Export supply development

AGOA has been extended up to 2025. Kenya is currently negotiating post-AGOA trade pact with USA.

Africa Growth & Opportunity Act (AGOA) Visas

Benefits for you:

- ✓ Increased foreign exchange due to a rise in exports to the USA
- ✓ Enhanced value chain to manufacturers
- ✓ Job creation

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