Guidelines for the approval of duty remission applications

These guidelines provide a clear, objective and transparent framework for assessing manufacturers' applications for duty remission on eligible raw materials and industrial inputs, in accordance with the EAC Duty Remission Regulations, 2008.

The guidelines combine general eligibility requirements applicable to all manufacturers, with sector-specific criteria, taking into account the nature of production, capital and labour intensity, production capacity, employment and investment levels.

1. Sector-specific criteria

No	Description	Specific criterion	Requirement
		Textile sector	
1	**Textile sector**	Production machinery	1. Minimum of 10 operational electric production machines, appropriate to the textile manufacturing process, 2. with proof of ownership of the machines.
		Employment	1. Minimum 5 employees 2. supported by valid employment contracts and relevant payroll/social security records.
		Premises	1. Valid premises lease/title documents in the name of the company and suitable for textile production.
		Storage facilities	1. Adequate and clearly distinguishable storage facilities for raw materials, work-in-progress and finished textile products. 2. Records should demonstrate the movement of raw materials through the production process up to the finished product.
		Record-keeping	1. Proper physical or computerized record-keeping system covering purchases, imports, inventory, production and sales.
		Business identification	1. Clearly visible company signpost at the operating premises.
2	**Food and Beverage sectors**	**Food and Beverage sectors**	
		Sector authorization	1. Valid food and beverage operations license issued by the competent authority (FDA).
		Production equipment	1. Adequate production machinery and equipment appropriate to the type and scale of food or beverage production, with proof of ownership or lawful use.
		Employment	1. Minimum of 5 permanent employees, where the production process supported by valid employment contracts and relevant payroll/social security records.
		Premises	1. Valid premises lease/title documents and suitable facilities for the production activity. 2. Valid license/authorization applicable to the premises and operation (FDA).
		Storage	1. Adequate and hygienic storage facilities for raw materials, packaging materials and finished products.
		Record-keeping	1. Proper records of raw material purchases/imports, production, inventory and sales.

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2. General eligibility criteria applicable to all sectors

Factor	General eligibility criterion	Evidence / verification
1. Legal registration and authorized activity	The applicant must be legally registered and authorized to undertake the manufacturing/production activity for which duty remission is requested.	1. Valid RDB registration certificate 2. and/or relevant sector/ 3. cooperative licence. The registered activity should correspond to the actual production activity.
2. Operational production activity	The applicant must demonstrate that it has an established and operational production process capable of transforming raw materials into finished or semi-finished goods.	1. Physical inspection, 2. production process description, 3. machinery/equipment, 4. production records, invoices and other relevant documents.
3. Production capacity	The applicant must have adequate machinery, equipment and production capacity appropriate to the nature and scale of the business.	1. Proof of ownership of machinery/equipment, Including: invoices, import documents, asset register, lease documents or other acquisition records.
4. Employment and job creation	The applicant must demonstrate employment of workers appropriate to the nature and scale of its operations, with preference given to formal and sustainable employment.	1. Employment contracts, 2. payroll records, 3. social security/pension contribution records and other employment records.
5. Premises and operational facilities	The applicant must operate from suitable premises that are legally occupied and adequate for production, storage and other business operations.	1. Valid lease/title documents, 2. premises/business license and physical verification. 3. signpost indicating the name and nature of the business.
6. Storage facilities	The applicant must have adequate and clearly identifiable storage facilities for raw materials, work-in-progress and finished products, as applicable to the sector.	1. Physical inspection and 2. stock/storage records.
7. Tax compliance	The applicant must be compliant with its tax obligations.	1. Valid Tax Clearance Certificate.
8. Record-keeping and traceability	The applicant must maintain reliable records enabling the authorities to trace imported raw materials from importation through production to the final product, genuine and commercially active, rather than being established solely to access duty remission.	1. Stock records, 2. purchase/import documents, 3. production records, 4. sales records, 5. inventory records and 6. computerized accounting/ERP records where applicable.

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No	Description	Specific criterion	Requirement
		Business identification	1. Clearly visible signpost at the operating premises.
Other sectors			
3	**Other sectors**	Production equipment	Adequate machinery and equipment appropriate to the specific manufacturing activity, with proof of ownership.
		Employment – capital-intensive operations	Minimum of 5 permanent employees, supported by valid employment contracts and relevant payroll/social security records.
		Premises	Valid premises lease/title documents and suitable premises for the production activity. Valid license or authorization required for the relevant activity.
		Storage	Adequate and distinguishable storage facilities for raw materials and finished products, where applicable.
		Record-keeping	Proper physical or computerized records covering imports/purchases, inventory, production and sales.
		Business identification	Clearly visible signpost at the operating premises.

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