



RRA

**TAXES AND CUSTOMS DUTIES
IN THE DEVELOPMENT OF
OUR NATION**



RRA





CONTENT

1. Definition of tax;
2. Functions of taxes;
3. Historical background of taxes in Rwanda;
4. Types of taxes and customs duties;
5. The contribution of taxes in the Government Budget;
6. Comparison of Rwandan Taxes and Taxes within the region;
7. The issue of tax evasion
8. The entry of Rwanda in the East African Community.

1. Definition of tax

A tax is fees without a direct exchange requested to the members of the community by the State according to the law, to support financially the execution of the government tasks and taking into account the contributive capacities of the payer.

2. Functions of taxes

1. To resemble funds to be used in financing government works (financial function);
2. Promoting national economic development (economic function);
3. Promoting the social welfare of the population (social function).

Taxation background in Rwanda

- Taxation in Rwanda dates way back in 1912 when property tax was introduced;
- After independence, taxes were formally introduced in Rwanda by the law of the 2nd June 1964 concerning Profit Tax;
- Customs and Excise duties were also introduced by the law of 17th July 1968;
- Tax administration was done by the Central Government through the Ministry of Finance and under two different departments – that of tax and customs.
- Law No.8 of 26 June,1997 on profit tax was introduced
- Law No.9 of 26 June,1997 on tax procedures
- In 2001 VAT law was introduced requiring taxpayers to start paying Value Added Tax.

- Law No.16/2005 on direct taxes on income of 18th August 2005;
- Law No.25/2005 of 4th, December 2005 on tax procedures
- Law no73/2008 of 31/12/2008 modifying and complementing law no16/2005 of 18/08/2005 on direct taxes on income;
- Law no 74/2008 of 31/12/2008 modifying and complementing law no 25/2005 on tax procedures;
- Law no 14/2009 determining motor vehicle registration fees;
- The East African Community Customs Management Act.

Types of Taxes and Customs Duties

- There are taxes collected by the Rwanda Revenue Authority in favor of the State Treasury;
- There are other taxes allocated to local administration in the framework of giving them some sources of revenue, to facilitate administrative decentralization.

Taxes collected by the Rwanda Revenue Authority

Tax on income levied on income received by individuals working on their behalf is calculated as follow:

- ✓ The rate of 0% is applied on the amount of profit not exceeding Rwf 360,000 per a year;
- ✓ The rate of 20% is applied on the amount of profit between Rwf 360,001 and Rwf 1,200,000 per a year;
- ✓ The rate of 30% is applied on the amount of profit over Rwf 1,200,000 per a year.

Micro-enterprises following their Annual turnover must pay the flat amount of tax as per the table below:

| Annual turnover | Annual flat amount of tax due in Rwandan francs |
|------------------------------|---|
| From 2000.000 to 4.000.000 | 60.000 |
| From 4000.001 - 7.000.000 | 120.000 |
| From 7000.001 - 10.000.000 | 210.000 |
| From 10.000.001 - 12.000.000 | 300.000 |

Small enterprises (business with a turnover between Rwf 12.000.001 and Rwf 50.000.000) per tax period; must pay a lumpsum tax of three percent (3%) on annual turnover. They have also the right to a choice of applying the real regime.

- Corporate income tax

The corporate income tax is paid by:

- ✓ Companies established in accordance with Rwandan law or foreign law;
- ✓ Cooperative societies and their branches;
- ✓ Legal persons and public institutions with autonomy of management.

Calculation and payment

The rate of corporate income tax is 30%

The deadline for declaration and payment must be done at the latest on 31/03 of the year following the year of the taxable income. However there are quarterly to be paid in the course of the year.

- **Pay as you earn (PAYE)**

The Pay as you earn is composed of:

- ✓ Wages, salaries, bonuses, leave pay, sick pay, medical allowances etc;
- ✓ All kinds of allowances, including any cost of living, subsistence, rent, and entertainment or travel allowance;

- ✓ Reimbursement of expenses the employee or her/his associate incurs;
- ✓ Payments to the employee for to his /her acceptance to work in any conditions of employment;
- ✓ Redundancy or termination pay;
- ✓ Pension payments;
- ✓ Other payments made in respect of current, previous or future employment.

Mode of calculation

- ✓ 0% on the income below Rwf 30,000 per month;
- ✓ 20% on the income amount between Rwf 30,001 and Rwf 100,000 per month;
- ✓ 30% on the amount over Rwf 100,000 per month;
- ✓ 15% on the income of a casual laborer.

Who is the taxpayer of pay as you earn?

- ✓ The individual or an institution remunerating its employees;
- ✓ An institution of pension (except compulsory pensions required by the government);
- ✓ When the employer does not have the obligation of making declaration, the employee himself has the obligation of making his declaration and paying tax.

The period of payment

- ✓ For the taxpayers whose annual turnover is equal or less than two hundred millions (200,000,000) Rwandan Francs, the PAYE shall be quarterly and deposited with payment of the tax due within

15 days, after the end of the quarter to which the PAYE is referred. The option to pay monthly remains open to taxpayers with a turnover equal or less than 200,000,000.

- ✓ When the last day is not a working day, the deadline is postponed to the following working day.

The exemptions on employment income

The following taxable payments are excluded from taxable income resulting from employment:

- ✓ The discharge or reimbursement of expenses incurred by the employee;
- ✓ Retirement contributions made by the employer on behalf of the employee to the state social security fund;
- ✓ Pension payments made under the state social security system;
- ✓ Retirement contributions made by the employer on behalf of the employee and or contributions made by the employee to a qualified pension fund to a maximum the employee to a qualified pension fund to a maximum of ten per cent (10%) of the employee's employment income or one million and two hundred thousand (1,200,000) Rwandan francs per year, whichever is the lowest;
- ✓ Employment income received by an employee who is not a citizen of Rwanda from a foreign government or a non-governmental organization under an agreement signed by the Government of Rwanda and when the income is received for the performance of aid services in Rwanda;

- ✓ Employment income received from an employer who is not a resident in Rwanda by a non-resident individual for the performance of services in Rwanda, unless such services are related to a permanent establishment of the employer in Rwanda. Exemption provided for by International Agreements.

Withholding Taxes

Withholding taxes are composed of:

- ✓ Pay as you earn, dividends, interests, performance payments made to an artist, musician or an athlete;
- ✓ A part from the withholding tax on salary (PAYE) paid according to above mentioned, others are paid on a rate of 15%;
- ✓ The rate of the tax withheld on commodities from abroad is 5%. This tax can be exonerated to taxpayers in detention of a quitus fiscal;
- ✓ A withholding tax on public tenders is 3%.

Notice:

Those who have the obligation to withhold withholding taxes are required to pay withheld taxes within 15 days counted from the day of withholding.

The Value Added Tax (VAT)

Who must pay VAT?

The taxpayer of VAT is the last consumer of the good or the service either ordered from abroad or made in Rwanda.

Obligations and rights of a person registered on VAT

- ✓ to tax VAT for each purchase operation;
- ✓ to issue invoice including VAT taxed;
- ✓ to make declaration of VAT every month;
- ✓ to claim a refund of the surplus of VAT paid;

Goods and services exempted from VAT

- ✓ Water supply services:
 - The main supply of clean water;
 - Sewage treatment services to protect environment for non-profit motive.
- ✓ Goods and services for health purposes:
 - the supply of health and medical services;
 - articles designed for the person with disability;
 - the supply of equipment and drugs to hospitals and health centers;
 - Supply or importation of drugs and medical equipment made by authorized persons for medical use, to patients and persons with disability.

The eligible bodies for the exemption shall be those recognized by the laws of Rwanda as public institutions, social organizations and any other form of voluntary or charity institution.

- ✓ Educational materials and services:
 - Educational services provided to preprimary, primary and secondary students;
 - Educational services provided by social organizations to students and other youths, meant for promoting the social, intellectual and spiritual development of the members other than for profit;

- Educational services provided to vocational and to other high learning institutions;
- Educational materials supplied directly to learning institutions.

The eligible bodies for this exemption shall be those recognized by the laws as public institutions, not for profit social organizations and any other form of voluntary or charity institutions.

- ✓ Books, newspapers, journals and other electronic equipments used as educational materials.
- ✓ Transport services:
 - Transportation of persons by road in bus and coach licensed under the law governing the law on vehicles in traffic and having a seating capacity for fourteen persons or more;
 - Transportation of persons by air;
 - Transportation of persons by railway;
 - Transportation of persons or goods by boat;
 - Transport of goods by road.
- ✓ Lending, lease and sale:
 - the sale or lease of an interest in land;
 - sale of a building or part of a building, flat or tenement meant for residential purposes;
 - the renting of, or other grant of the right to use, accommodation in a building used predominantly as a place of residence of any person and his family, if the period of accommodation for a continuous term exceeds 90 days, unless the building is meant for accommodation.
- ✓ Financial and Insurance Services:
 - the premium charged on the provision of life and medical insurance services;

- fees charged on the operation of current accounts;
 - transfer of shares;
 - capital market transactions for listed securities
- ✓ Precious metals

The supply of gold to a Bank in bullion form.

- ✓ Funeral services:

The supply of any goods or services in the course of a person's burial or cremation, including the provision of any license or certificate.

- ✓ Energy supplies:

- Energy saving lamps;
- Solar water-heaters;
- Wind energy systems;
- Liquefied petroleum gas, cylinders and invertors;
- Equipment used in the supply of biogas energy;
- Kerosene intended for domestic use.

- ✓ Trade Union subscriptions

- ✓ Leasing of exempted goods.

- ✓ All Agricultural and Livestock products, except for those processed, are exempted from VAT.

However, the milk which is processed in local industries is exempted from this tax.

- ✓ Agricultural inputs and equipments.

The following goods and services imported by persons with investment certificate are exempted from value added tax:

- Machinery for industries;
 - Raw materials for industries;
 - Building and finishing materials imported by an investor fulfilling the requirements determined by an order of the Minister in charge of finance;
 - Refrigerating vehicles, tourist vehicles, ambulances, fire-extinguishing vehicles, hearses;
 - Vehicles and movable property and equipments for foreign and Rwanda's Diaspora investors and their expatriate staff;
 - Equipment for tourism and hotel industry and relaxation places appearing on the list determined by an order of the Minister in charge of finance;
 - Goods and services meant for free economic zone;
 - medical equipment, medicinal products, agricultural, livestock, fishing equipment and agricultural inputs;
 - Equipment in education field;
 - Tourist chartered aeroplanes.
- ✓ Equipments of information, communication and technology (VAT Law)

Registration fees for imported vehicles and already registered vehicles in Rwanda From 01st January 2011, registration fees for imported vehicles are determined on the basis of engine capacity as follows:

| Engine power (cc) | | Fees |
|-------------------|-----------|---------|
| From | And | |
| 0 | 1000 | 75.000 |
| 1001 | 1500 | 160.000 |
| 1501 | 3000 | 250.000 |
| 3001 | 4500 | 420.000 |
| 4501 | And above | 560.000 |
| Special vehicle | - | 640.000 |

Registration fees for a motor vehicle already registered in Rwanda

- ✓ Registration fees for a motor vehicle already registered in Rwanda is equivalent to an amount paid on property tax and rent on number plate in 2009.
- ✓ This amount is multiplied by a coefficient based on date when a motor vehicle entered into Rwanda.
- ✓ For motor vehicles imported before and during the year 2006, the amount is multiplied by one.
- ✓ For motor vehicles imported from 2007 to 2008, the amount is multiplied by two.
- ✓ For motor vehicles imported in 2009, the amount is multiplied by three.

How is this tax calculated?

Example: A small car (ivatiri)

| The time of entry | Elements of the tax | | Times | The total amount to be paid |
|----------------------------|---------------------|--------------------------|-------|-----------------------------|
| | Tax to be paid | The plates rent per year | | |
| From 2006 and before | 10,800 | 10,000 | 1 | 20800 |
| From 2007-2008 | 10,800 | 10,000 | 2 | 41,600 |
| A car that entered in 2009 | 10,800 | 10,000 | 3 | 62,400 |

The registration fees for a motor vehicle already registered in Rwanda, cannot go beyond what it should pay at the time of its importation.

In case of any reason that can cause the motor vehicle not to be operational, its plates must be returned back to the Rwanda Revenue Authority.

Registration fees for personalized motor vehicles number plates

For motor vehicles with personalized number plates registration fees is fixed at two million Rwandan francs (2,000,000 Rwf).

Consumption tax

This tax is levied on some imported and locally manufactured products.

Products subjected to consumption tax and their rates

| NO | PRODUCTS | RATES |
|-----|---|-------|
| 1. | Fruit juices | 5% |
| 2. | Lemonade, soda and other juices | 39% |
| 3. | Mineral water | 10% |
| 4. | Beer | 60% |
| 5. | Wine | 70% |
| 6. | Brandies, Liquors and Whisks | 70% |
| 7. | Cigarettes | 150% |
| 8. | Lubricants | 37% |
| 9. | Vehicles with an engine capacity of less than 1500cc | 5% |
| 10. | Vehicles with an engine capacity of between 1500cc and 2500cc | 10% |
| 11. | Vehicles with an engine capacity of above 2500cc | 15% |
| 12. | Powdered milk | 10% |
| 13. | Telephone communications | 8% |

Customs duties

| Goods | Rates |
|--------------------------|-------|
| Finished goods | 25% |
| Intermediate goods | 10% |
| Raw materials | 0% |
| All plants and machinery | 0% |

Comparison between Rwandan taxes and other EAC member States taxes

| State | VAT | Income tax | The maximum for consumption tax | The maximum for customs duties |
|----------|-----|------------|---------------------------------|--------------------------------|
| KENYA | 18% | 32.5% | 135% | 25% |
| UGANDA | 18% | 30% | 130% | 25% |
| RWANDA | 18% | 30% | 150% | 25% |
| BURUNDI | 18% | 40% | 100% | 25% |
| TANZANIA | 20% | 30% | 120% | 25% |

Note:

Goods from East African Community accompanied by a certificate of Origin are not subject of customs duties (they are exempted from customs duties).

The contribution of taxes in the State revenues from 1998 to 2010

| Fiscal year | Target (Bn Rwf) | Total revenue (Bn Rwf) | Total National Budget (Bn Rwf) | % Contribution of total Revenue to total national Budget |
|-------------------------|--------------------|------------------------------|--------------------------------------|---|
| 1998 | 62.8 | 68.4 | 173.2 | 39.5% |
| 1999 | 64.04 | 67.1 | 174.1 | 38.5% |
| 2000 | 65.4 | 68.4 | 169.2 | 40.4% |
| 2001 | 76.8 | 81.1 | 184.4 | 43.9% |
| 2002 | 93.9 | 95.7 | 207.6 | 46.1% |
| 2003 | 111.2 | 119.1 | 252.0 | 47.3% |
| 2004 | 126.3 | 139.7 | 334.5 | 41.8% |
| 2005 | 156.7 | 184.8 | 374.2 | 49.2% |
| 2006 | 176.5 | 204.7 | 396.2 | 51.7% |
| 2007 | 214.6 | 252.5 | 528.0 | 47.8% |
| 2008 | 257.8 | 351.8 | 623.2 | 56.5% |
| Jan-June 2009 | 176.1 | 191.8 | 392.1 | 48.9% |
| July 2009- June 2010 | 369.3 | 395.8 | 899.0 | 44.0% |
| June 2010- July 2011 | 476.9 | 491.3 | 948.0 | 49.9% |
| 2011 - 2012 | 532.8 | 588.1 | 1,194.2 | 49.2 |

B. Decentralized taxes (Local Government Taxes)

1. Fixed Asset Tax :

Fixed asset tax is levied on :

- 1° the market value of parcels of land;
- 2° the market value of buildings and all improvements registered;
- 3° the value of land exploited for quarry purposes;
- 4° the market value of usufruit with a title deed.

2. Trading license

- ▶ It is a tax paid by everyone who commits himself to do income generating activities, organizations with legal personality or organizations subject to corporate income tax.
- ▶ It is paid before starting activities.
- ▶ It is paid every year not later than 31st March with on going business

3. Rental income tax

It is taxed on income from rented fixed assets located in Rwanda.

TAX INCENTIVES

There are many decisions taken to facilitate investors and business leaders in general. These are:

- ▶ An investment allowance of forty percent (40%) of the invested amount in new or used assets may be depreciated excluding motor vehicles that carry less than eight (8) persons, except those exclusively used in a tourist business is deductible for a registered investor in the first tax period of purchase and/or of use of such an assets;
- ▶ The investment allowance is fifty (50%) if the registered business is located outside Kigali or falls within the priority sectors determined by the Investment Code of Rwanda. These incentives are granted when the amount invested is equal to thirty million Rwandan francs or more.

Incentives based on the number of workers

- ▶ 1° two percent (2%) if the investor employs between one hundred (100) and two hundred (200) Rwandans;
- ▶ 2° five percent (5%) if the investor employs between two hundred and one (201) and four hundred (400) Rwandans;
- ▶ 3° six percent (6%) if the investor employs between four hundred and one (401) and nine hundred (900) Rwandans;

- ▶ 4° seven percent (7%) if the investor employs more than nine hundred (900) Rwandans.
- ▶ If a taxpayer exports commodities or services that bring to the country between three million (3,000,000) US dollars and five million (5,000,000) US dollars in a tax period, he or she is entitled to a tax discount of three percent (3%).

If he or she exports commodities or services that bring to the country more than five million (5,000,000) US dollars in a tax period, he or she is entitled to a tax discount of five percent (5%).

- ▶ Exemption of customs duties on equipments and machines, educational materials, medical materials and agricultural materials;
- ▶ Importers are allowed to make their declarations (preclearance) and payment (prepayment) before the arrival of the imported goods in Rwanda to hurry customs operations ...

c. Tax evasion

Taxpayers commit tax evasion in different ways:

- ▶ Declaration of false denomination of goods in customs;
- ▶ Underestimation of the value of goods using false documents;
- ▶ False declaration of origin of goods;
- ▶ Passage of goods in a path that is forbidden by customs;
- ▶ Hiding goods in cars deserved to patients;
- ▶ Creating rooms inside cars;
- ▶ Possess two different books of accounting;
- ▶ Overestimation of expenses to reduce income;
- ▶ Not paying 3% withheld on public tenders;

- ▶ Misinterpretation of taxation law;
- ▶ Being in possession of more than one Taxpayer's Identification Number (TIN)

TAX RECOVERY

ISSUANCE OF A NOTICE OF ASSESSMENT

A notice of issuance of a notice of assessment

A notice of assessment is issued when:

1. The taxpayer files the tax declaration on time but has not paid the tax on time;
2. The Tax Administration application applies to the taxpayer after investigation and audit;
3. There are serious indications that the possibilities for effective tax collection are in jeopardy, due to the financial position of the taxpayer, or due to the taxpayer's intention to evade taxation.

The Tax Administration sends a copy of the notice of assessment to the taxpayer.

The taxpayer pays the tax due within seven (7) days from the receipt of notice of assessment, unless the tax was already paid.

The notice of assessment constitutes full legal basis for the recovery of tax, interests, penalties and all costs incurred in collection.

Warning

If a tax is not paid on the time according to paragraph 2, article 18 of the law governing tax procedures, the Tax Administration sends a warning letter to the taxpayer, indicating the amount of tax, interest and penalties to be paid and

the legal action that will follow if the tax, interest and penalties are not paid within fifteen days, from the delivery of the warning letter. The fifteen (15) days period may be disregarded in case the possibilities for effective tax collection are in jeopardy.

When taxes were not paid within a period of ten (10) years counting from the time it was due, the tax cannot be paid.

Such period can be stopped through procedures determined by Civil Code and by the arrangement of payment the debtor has made with the Tax Administration and after.

If the period for taxation is postponed, after ten (10) years period following the latest postponement notice of taxation period prescription, another 10-year period of stopping may also be postponed in the same manner, if in that period the case of the disputed tax was not filed in the court.

Payment in installments

The taxpayer may apply to the Commissioner General for paying installments. The Commissioner General has the competence to set out the rules and conditions to apply for such an installments payment. Payment in installments cannot exceed one year. Failure of the taxpayer to pay under the conditions of the installment plan results in an immediate obligation to pay the remaining amount due.

Seizure

Attachment of the taxpayer's property

When a tax is not paid within fifteen days as mentioned in article 46 governing tax procedures, the Tax Administration may attach any movable or immovable property of the taxpayer, whether held by the taxpayer or any other person.

The seized property is sold under a public auction after eight (8) days the taxpayer is notified of the affidavit.

If the Tax Administration has serious indications that a supplier is selling taxable goods and such goods have previously not been charged with Value Added Tax, the Tax Administration can seize those Goods. If the supplier cannot provide evidence of compliance with the provisions of the Value Added Tax law within fifteen (15) days, the Tax Administration can sell these goods at a public auction.

The seizure and selling of the attached goods takes place according to the law on Civil and Commercial Procedures. In the field of taxation the bailiffs of the Tax Administration have the same competence as Private court bailiffs.

Third parties

If a tax is not paid within fifteen (15) days as mentioned in article 46 of the law governing tax procedures, the Tax Administration may require any person who is a debtor of the taxpayer to pay to the Tax Administration the amount due to the taxpayer against the taxpayer' tax liability.

D. RWANDA IN THE EAST AFRICAN COMMUNITY: (Customs Union)

Customs Union focuses on facilitating trade:

- ▶ Removal of tariff on goods from partner states;
- ▶ Application of a Common External Tariff;
- ▶ Removal of other barriers to trade;
- ▶ Customs Union focuses on trade facilitation through:

- Removal of non-tariff barriers;
- Simplifying and standardizing trade formalities and customs documentation;
- Exchange of customs/ trade information;
- Adopting and implementing international best practices in customs and trade;
- Common and uniform application of Customs laws.

Situation of Rwanda in the implementation of EAC Customs Union Rwanda started implementing East African Customs Union on 1st July 2009.

Three major elements characterizing Customs Union:

1. Application of a Common External Tariff;
2. Removal of customs duties for goods covered with a certificate of origin;
3. Common and uniform application of Customs laws.

Benefits from the EAC for Rwanda

Rwanda expect to get many interests from EAC but the major interests are the followings:

- ▶ Wider Market (120 millions people);
- ▶ Best practices in developing Business Environment;
- ▶ Strong voice in global trade negotiations (WTO, EPAS, TIFA's, AGOA... etc);
- ▶ Wider skill base;
- ▶ Joint ventures and expansion of investments by business people;
- ▶ Joint partnership in developing infrastructure and cutting the cost of doing business;
- ▶ Cooperation on cross border issues and challenges, (tourism, environment, health, etc);

- ▶ Landlocked to Land linked economy;
- ▶ Removal of tariff barriers to trade;
- ▶ Even within COMESA, Rwanda's trade is mainly with EAC Partner States (95% of export for example);
- ▶ Mutual support and peer pressure to sustain peace, security and good governance in the region;
- ▶ Thinking beyond ethnic and national identities towards a much bigger citizenship leading to a smooth globalization;
- ▶ Reduced prices due to calculation of duties and taxes at the point of first entry into the community and elimination of internal tariffs.

Important changes in the customs law

The implementation of East Africa Customs Management Act and the implementation of a Common Tariff within all member states which is:

- ▶ Raw materials 0%;
- ▶ Intermediate goods 10%;
- ▶ Finished goods;
- ▶ Removal of customs duties for EAC member states (KENYA, TANZANIA, UGANDA, BURUNDI);
- ▶ Calculation of customs duties basing on the value of the good at the first port of the community instead of the value at the arrival at Kigali.

Other changes contained in the law

- ▶ Granting authorization to lorry carrying transit cargo; this authorization is acceptable within all EAC member states;
- ▶ The use of cars without the authorization is an offense punishable of 5000 USD of fine;

- ▶ Passing in forbidden roads: It is punishable of 50% of the value of the good transported;
- ▶ Temporary importation: 12 months only;
- ▶ Amicable conflict management with the Commissioner for Customs Services
- ▶ Appeal: To the Commissioner for Customs Services, in case of non satisfaction the case is brought to the competent court which is the Commercial Court;
- ▶ Registered land and houses are held as a security before payment of arrears;
- ▶ The applicant of a warehouse: 3months susceptible of extension only one time except for: wines, lubricants, goods in duty free shop and new cars assembled inside Rwanda;
- ▶ Goods are declared within 21 days, beyond this time it is preceded to the sell by auction;
- ▶ Reduction of customs duties to raw materials used in industries: sugar (90%), paper (100%);
- ▶ Simplified Certificate of Origin to promote business for small taxpayers and exchange with neighboring countries.

New exemptions provided for by eac customs management act:

There are some exemptions not ordinarily provided for in the Rwandan former customs law; these exemptions concerns:

- ▶ Goods for use by the President;
- ▶ Goods for use by the partner states armed forces;
- ▶ A car and spare parts for Rally Drivers;
- ▶ All aircraft operations;

- ▶ Containers and Pallets;
- ▶ Ships and other Vessels.

Exemption ordinarily provided for in the former customs law but not found in the eac customs management act

- ▶ Goods imported by charity organizations;
- ▶ Gifts to the state and to its institutions;
- ▶ Rewards from competitions;
- ▶ Goods to be used in tests;
- ▶ Goods to be used in religious ceremonies;
- ▶ Reproductive animals;
- ▶ Exemptions to registered investors.

Prohibited goods

- ▶ All soaps and cosmetic products containing mercury;
- ▶ Used tires for light commercial vehicles and passenger car;
- ▶ All imitated goods;
- ▶ Agricultural Chemical fertilizers 12.4 –T, aldrine, Caplafol, DDT,...(annex n°2A)

Restricted exports

- ▶ Waste and scrap of ferrous cast iron;
- ▶ Used automobile batteries lead scrap, all forms of 3 scrap metals;
- ▶ Timber from wood grown in the EAC partner states;
- ▶ Fresh unprocessed fish (Nile perch and tilapia);
- ▶ Wood charcoal.



