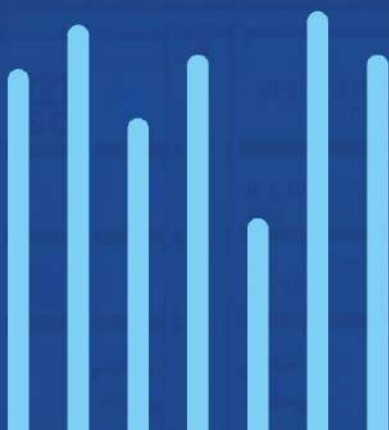




Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER



A Guide on Tax Incentives/ Exemptions available to the investors in Uganda

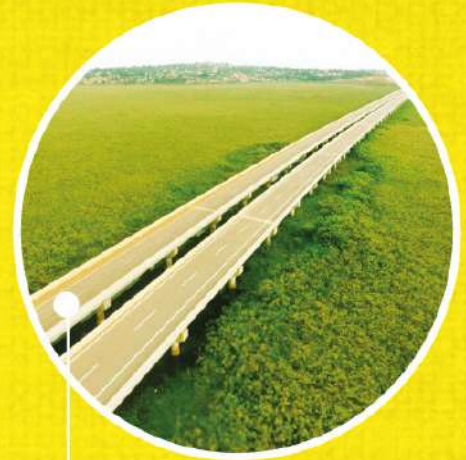


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INTRODUCTION

aforementioned sectors. One of these policies is the provision of tax incentives to investors.

This incentive regime is structurally embedded in the country's tax laws making them nondiscriminatory and accessible to both domestic and foreign investment depending on the sector and level of investment. It is assumed that this tax incentive regime will spur investments within the economy and in so doing contribute to the achievement of Uganda's Vision 2040 whose aspirations are to transform Uganda from a predominantly low income country to an upper middle income country within 30 years.

Realizing that knowledge of the existing tax incentives by prospective local and foreign investors encourages many to take advantage of these incentives and invest in the country; Uganda Revenue Authority is pleased to introduce this Tax Incentives Guide for Investors in Uganda.

This Guide is a consolidation of all the tax incentives under International Trade (Customs) and Domestic Taxes. This Guide will be updated annually in line with Government's fiscal policies and will be available at the One Stop Centre of the Uganda Investment Authority. For further inquiries, investors are encouraged to contact the Assistant Commissioner Trade, Customs Department and the Assistant Commissioner Business Policy, Domestic Taxes Department.

Developing Uganda Together.

John R Musinguzi
Commissioner General Uganda
Revenue Authority

Uganda has been consistently attracting the highest foreign direct investment (FDI) in East Africa by attracting between \$250 - 300 million in FDI annually between 2010 and 2016 largely due to its stable and consistent macro-economic policies, liberalized business environment, proximity as a logistics hub within the Great Lakes region and increased regional trade. Most FDI into Uganda has been directed towards telecommunications, real estate, banking, insurance, petroleum sector, energy, and mining and agro-export sectors.

The Government has continued to promote foreign investment through the Uganda Investment Authority, the Presidential Investors Round Table and by minimizing macroeconomic policy shifts, which make doing business in Uganda more predictable than in neighboring countries. Uganda has a friendly investment policy framework aimed at attracting investments in the various

INCOME TAX			
Beneficiary	Incentives	Period of Incentive	Conditions for the Tax Incentive
1. Developer of an industrial park/free zone	Exemption of income derived from renting out or leasing facilities established in an industrial park or free zone.	10 years	Must invest a minimum of USD 50m for foreign investors or USD 10m for EAC citizens, Incentive takes effect from the date of commencement of construction. Also applies to an existing investor making an additional investment of the same value.
2. Operator in an Industrial Park or Free Zone who invests in processing agricultural products; manufacturing or assembling medical appliances, medical sundries or pharmaceuticals, building materials, automobiles and house hold appliances; manufacturing furniture, pulp, paper, printing and publishing of instructional materials; establishing or operating vocational or technical institutes; or carrying on business in logistics and warehousing, information technology or commercial farming or manufacture of tyres, footwear, mattresses or tooth paste.	Income derived by a person from undertaking any of the listed business activities in the Industrial Park or Free Zone.	10 years	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>

A GUIDE ON TAX INCENTIVES/ EXEMPTIONS

<p>3. Investor outside an industrial park or free zone carrying out activities as in 2 above.</p>	<p>Income derived by a person from undertaking any of the specified business activities.</p>	<p>10 years</p>	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
<p>4. Agro-processors</p>	<p>Income derived by a person from undertaking the agro - processing.</p>	<p>One Year. May be renewed annually</p>	<p>Investor must use plant and machinery that has not previously been used in Uganda, apply for and be issued with a certificate of exemption from URA and must be tax compliant.</p>
<p>5. Exporters of finished consumer and capital goods.</p>	<p>Income derived from the exportation of finished consumer and capital goods.</p>	<p>10 years</p>	<p>Exemption valid from the beginning of the investment.</p> <p>Investor must export at least 80% of production. Investor must apply for and be issued with a certificate of exemption.</p>
<p>6. Collective Investment Schemes to the extent of distribution</p>	<p>Income tax exemption for Collective Investment Schemes</p>	<p>Indefinite</p>	<p>Must be licensed to operate as a collective investment scheme.</p> <p>Participants in the scheme should not have day to day control over the management of the property.</p> <p>Participants contributions and ultimate income/ profits must be pooled Property must be managed as a whole by the operator of the scheme</p>

<p>7. Mining and petroleum operators</p>	<p>Special income tax deductions allowed and exemptions: Carry forward losses, 100% depreciation rate for depreciable assets acquired for mining exploration, deduction for contribution made by a licensee to a rehabilitation fund in accordance with an approved rehabilitation plan, deductions for recovery of costs for work programs, exemption of income tax on amounts withdrawn from a rehabilitation fund to meet expenditure incurred under an approved rehabilitation plan, 10% withholding tax on payments made to sub-contractors as a final tax as opposed to 15%, deduction of social infrastructure costs incurred in accordance with the mining lease.</p>	<p>Indefinite</p>	<p>Mining and petroleum operators</p>
<p>8. Aircraft Operators</p>	<p>Income Tax exemption for Aircraft Operators</p>	<p>Indefinite</p>	<p>Applies to persons engaged in air transport for domestic and international traffic or aircraft leasing.</p>
<p>9. Private employers of persons with disabilities (PWDs)</p>	<p>Deduction of 2% Income tax for employers that employ PWDs</p>	<p>Indefinite</p>	<p>5% of employees must be PWDs</p>
<p>10. Non-profit making Organisations</p>	<p>Income tax exemption</p>	<p>Indefinite</p>	<p>Where the Commissioner has issued a written ruling stating that it is exempt</p>
<p>11. Compliant taxpayers</p>	<p>6% WHT exemption</p>	<p>6 months renewable</p>	<p>Where the Commissioner is satisfied that the taxpayer has regularly complied with the obligations under the tax laws</p>
<p>12. All taxpayers</p>	<p>100% deduction of Scientific research expenditure</p>	<p>Indefinite</p>	<p>A person who incurs expenditure for scientific research</p>
<p>13. All taxpayers</p>	<p>100% deduction of training expenditure</p>	<p>Indefinite</p>	<p>Employers who train permanent residents or provide tertiary education not exceeding in the aggregate 5 years</p>

14. All taxpayers	Initial allowance and Depreciation allowance: Initial Allowance – capital deduction of 50% of qualifying Plant & machinery and 20% on Industrial building placed in the radius of 50Km outside the boundaries of Kampala. Person who places depreciable assets in service e.g. computers, automobiles, specialised trucks, tractors, plant and machinery used in farming, manufacturing or mining operations, trailers and trailer mounted containers; and Industrial building deduction of 5% on cost of construction straight line method for 20 years.	Indefinite	All taxpayers with depreciable assets
15. All taxpayers	Carry forward losses: Assessed loss is carried forward as a deduction in the following year of income.	Duration of the loss	All taxpayers
16. Investor established in a country with which Uganda has a DTA	Double Taxation Agreements (DTA): Investors from countries with active DTA's with Uganda i.e. United Kingdom, Denmark, Norway, South Africa, India, Italy, Netherlands and Mauritius. Withholding tax rates applicable to dividends, interests, management fees and royalties are 10% except UK at 15%	Duration of the DTA	Beneficial owner of investment as defined in the Income Tax Act established with economic substance in a country with which Uganda has a DTA.

VAT ACT			
Beneficiary	Incentives	Period of Incentive	Tax incentive
1. Developer of an industrial park or free zone	No VAT on any payment for feasibility studies, design construction services, construction materials and earth moving equipment and machinery.	Duration of the development	The investment must be at least USD 50m. The development must be for an industrial park or free zone.

<p>2. Investment in processing agricultural products; manufacturing or assembling medical appliances, medical sundries or pharmaceuticals, building materials, automobiles and house hold appliances; manufacturing furniture, pulp, paper, printing and publishing of instructional materials; establishing or operating vocational or technical institutes; or carrying on business in logistics and warehousing, information technology or commercial farming.</p>	<p>No VAT on the supply of feasibility study and design services and on the supply of locally produced raw materials and inputs.</p>	<p>Indefinite</p>	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
<p>3. Developer of a hotel or tourism facility</p>	<p>No VAT on the supply of feasibility study, design and construction services; or on the supply of locally produced materials</p>	<p>Duration of the development</p>	<p>The investor must invest at least USD 8m. The feasibility studies must be for the development of a hotel or tourism facility or the supply of machinery and equipment furnishings or fittings (not available on the market). The hotel or tourism facility must have a room capacity exceeding 100 guests.</p>
<p>4. Developer of a hospital facility</p>	<p>No VAT on supply of feasibility study, design and construction services; or the supply of locally produced materials; or the supply of machinery and equipment or furnishings and fittings</p>	<p>Duration of the development</p>	<p>Must invest at least USD 5 million.</p> <p>The feasibility study must be for the development of a hospital facility; or the construction of hospital premises and other infrastructure; or supply of the machinery, equipment, furnishings and fittings for use in the hospital facility.</p> <p>The investment must be for a hospital at the level of a national referral hospital with capacity to provide specialised medical care.</p>

A GUIDE ON TAX INCENTIVES/ EXEMPTIONS

5. Agriculture	VAT Exemption on agricultural supplies: animal feeds and premixes, crop extension services, irrigation works and sprinklers, supply of agriculture insurance, etc.	Indefinite	Taxpayers in agricultural sector.
6. VAT Registered taxpayers	VAT registered persons claim all the VAT incurred.	Indefinite	Turnover of UGX 150m in any 12 month period for first time registration, ability to keep proper books of accounts and making taxable supplies.
7. Contractors to licensees undertaking mining/ petroleum operations	Deemed VAT: Tax payable on supply by a contractor to a licensee undertaking mining or petroleum operations is deemed to have been paid by the licensee to the contractor provided the supply is for use by the licensee solely and exclusively for mining or petroleum operations	Duration of the investment	Contractors to licensees undertaking mining/ petroleum operations
8. Contractors executing aid-funded projects	Deemed VAT: Tax payable on a taxable supply made by a supplier to a contractor executing an aid-funded project is deemed to have been paid by the contractor provided the supply is for use by the contractor solely and exclusively for the aid funded project.	Duration of the project	Contractors executing aid-funded projects

A GUIDE ON TAX INCENTIVES/ EXEMPTIONS

9. Contractor or licensee or a person providing business process outsourcing services.	Input tax credit on imported services.	Indefinite	Persons providing services to the licensees in mining operations or licensees in petroleum operations. Persons granted mining rights or with whom the Government has entered into a petroleum agreement. Persons providing business process outsourcing services.
10. Energy industry	Supply of any goods and services to contractors and subcontractors of hydroelectric power, solar power, geothermal power, or bio gas and wind energy projects is exempt from VAT.	Indefinite	Energy industry
11. Insurance Industry	Life, medical, micro, aircraft and reinsurance services is exempt from VAT.	Indefinite	Insurance services
12. Manufacturers of medicines	The supply of drugs, medicines and medical sundries manufactured in Uganda are zero-rated	Indefinite	Manufactured in Uganda
13. Importers of medicines	VAT exemption at importation	Indefinite	Imported
14. Exporters	Zero rating	Indefinite	All exporters








STAMP DUTY ACT			
Beneficiary	Incentives	Period of Incentive	Tax incentive
1. Developer of an industrial park/free zone	No Stamp duty on debentures, lease of land, Increase of share capital, transfer of land.	Duration of development	Must invest a minimum of USD 50m and incentive takes effect from the date of commencement of construction.
2. Operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who invests in agro processing, food processing, medical appliances, building materials, light industry, automobile manufacturing and assembly, household appliances, furniture, logistics and warehousing, information technology or commercial farming, operating vocational or technical institutes.	No Stamp duty on debentures, lease of land, Increase of share capital, transfer of land.	Duration of activity	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>
3. Hotel or tourism developer	Nil Stamp Duty on debenture, further charge, lease of land, increase of share capital, transfer of land and agreement to provide services on conducting a feasibility study or developing a design for construction.	Duration of the development	<p>Must invest at least USD 8m.</p> <p>Hotel or tourism facility should have room capacity exceeding one hundred guests.</p>
4. Hospital facility developer	Nil Stamp Duty on debenture, further charge, lease of land, increase of share capital, transfer of land and agreement to provide services on conducting a feasibility study or developing a design for construction.	Duration of the development	<p>Must invest at least USD 5m.</p> <p>Develop a hospital at the level of a national referral hospital with capacity to provide specialised medical care.</p>


EXCISE DUTY ACT			
Beneficiary	Incentives	Period of Incentive	Tax incentive
1. Industrial parks or free zones developer	Nil duty on construction materials for development of industrial parks or free zones by a developer	Duration of development	<p>Must invest a minimum of USD 50m for foreign investors & USD 10m for EAC citizens.</p> <p>The incentive takes effect from the date of commencement of construction.</p>
2. Operator within the industrial park, free zone or other business outside the industrial park or free zone who invests in processing agricultural goods; manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobiles, household appliances or manufactures furniture, pulp, paper, printing and publishing of instructional materials; carries on business in logistics and warehousing, information technology or commercial farming and technical or vocational institutes.	Nil duty on construction materials of a factory or warehouse exclusive of those available on the local market, locally produced raw materials and inputs.	Indefinite	<p>Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 where the investment is made upcountry.</p> <p>Incentive takes effect from the date of commencement of the specified business, same incentives applies to an existing operator in an Industrial Park or Free Zone.</p> <p>The investor must use at least 70% of locally sourced raw materials and employ at least 70% EAC citizens who must take up at least 70% of the wage bill.</p>




INTERNATIONAL TRADE TAXES

AGRICULTURAL SECTOR





	Description	Tax incentive
	<p>Hoes A hoe is a long-handled gardening tool with a thin metal blade, used mainly for weeding and breaking up soil.</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Ploughs, Harrows, seeders, planters and transplanters, manure spreaders and fertilizer distributors</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Agricultural sprayers</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Fertilizers A fertilizer is any material of natural or synthetic origin (other than liming materials) that is applied to soils or to plant tissues (usually leaves) to supply one or more plant nutrients essential to the growth of plants</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th Schedule of the East African Community Customs Management Act, 2004 upon approval by the Ministry of Agriculture, Animal Industry and Fisheries.
	<p>Refrigerated Trucks</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Agricultural chemicals (fungicides and pesticides)</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.

	<p>Veterinary Chemicals (Acaricides)</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Agricultural Tractors</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Aluminum Cans for the dairy industry</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Heat Insulated Milk tanks for the dairy industry</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Insulated tankers</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Imported inputs and implements by persons engaged in horticulture, agriculture or floriculture and aquaculture sector e.g. hatching eggs, day old chicks, semen, fish eggs, Fry/ fingerling (young fish), seeds, green houses/ materials used in construction of green houses, flower cuttings, incubators, hatcheries etc.</p>	<ul style="list-style-type: none"> • Exempted from all taxes when imported by persons engaged in horticulture, agriculture, aquaculture or floriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Cold Rooms A cold room in which a low temperature is maintained (as for refrigeration)</p>	<ul style="list-style-type: none"> • Import Duty is 0% in accordance with the EAC CET. Helps on post-harvest management and cold chain storage of agricultural products such as beef, chicken, fish etc

	<p>Poultry parent stock imported by persons engaged in poultry farming.</p> <p>A broiler and layer breeder farms raise parent stock which produce fertilized eggs.</p> <p>A broiler/layer hatching egg is never sold in shops and is not meant for human consumption but for hatching into day old chicks.</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Seeds for sowing, spores and cut plants</p> <p>A seed is an embryonic plant enclosed in a protective outer covering.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under fifth schedule of the East African Community Customs Management Act, 2004 upon approval by Ministry of Agriculture Animal Industry and Fisheries.
	<p>Breeding animals Breeding stock is a group of animals used for the purpose of planned breeding.</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.
	<p>Preparations for cleaning Dairy apparatus Example PFANZITE POWDER DAIRY DETERGENT.</p> <p>Pfanzite is a highly chlorinated, powdered manual cleaner designed especially for cleaning bulk tanks, the Surge bucket milker and utensils.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Fish, Crustaceans and Molluscs, fresh (dead or live) chilled or frozen caught and landed by canoes or vessels registered and based in a Partner State</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Feeds for Poultry and Livestock Poultry</p> <p>Feed is food for farm poultry, including chickens, ducks, geese and other domestic birds. Modern feeds for poultry consists largely of grain, protein supplements such as soybean oil, meal, mineral supplements, and vitamin supplements</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th Schedule of the East African Community Customs Management Act, 2004.

	<p>Machinery for processing dairy products</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT Act. • Import duty is 0%, under East African Community Common External Tariff VAT Exempted.
	<p>Packing material of any kind designed for packaging goods for export</p>	<ul style="list-style-type: none"> • Exempted from all taxes when imported with an intention of packaging goods meant for export, 2004.
	<p>The supply of irrigation works, sprinklers and ready to use drip lines</p>	<ul style="list-style-type: none"> • VAT Exempted when imported by dealers under the VAT ACT. • Exempted from all taxes when imported by persons engaged in agriculture under the 5th schedule of the East African Community Customs Management Act, 2004

MANUFACTURING SECTOR

Description	Tax incentive
	<p>Raw materials used in production of goods meant for export.</p> <ul style="list-style-type: none"> • Duty draw back i.e. customs refunds of all or part of any import duty paid on material inputs imported to produce goods for export or used in a manner for a purpose prescribed as condition for granting duty draw back.
	<p>Plant, machinery, equipment and raw materials used in production of goods for export.</p> <ul style="list-style-type: none"> • Manufacturing under bond facility. A facility extended to manufacturers to import plant, machinery, equipment and raw materials tax free, for exclusive use in the manufacture of goods for export.
	<p>White refined sugar for Industrial use. The industrial sugars category includes sweeteners that service food and confectionary manufacturers, as well as the catering, baking, pharmaceutical and beverage industries</p> <ul style="list-style-type: none"> • Duty remission to 10% on imported white refined industrial sugar for industrial use.
	<p>Paper for use in the manufacture of exercise books and textbooks. An exercise book or composition book is a notebook that is used in schools to copy down school work and notes.</p> <ul style="list-style-type: none"> • Imported at import duty rate of 0% under duty remission scheme for one year.








	<p>Stranded wire used in manufacture of tyres.</p> <p>A stranded wire as opposed to solid wire is a composite of a bundle of small gauge wires wrapped in a particular pattern inside insulation to make a larger conductor.</p>	<ul style="list-style-type: none"> Duty remission at 0% for manufacturers of motor vehicle tyres for one year.
	<p>Treads for cold retreading used in retreading of tyres.</p> <p>The tread of a tyre or track refers to the rubber on its circumference that makes contact with the road or the ground.</p> <p>Retread, also known as “recap,” or a “remold” is a re-manufacturing process for tyres that replace the tread on worn tyres.</p>	<ul style="list-style-type: none"> Duty remission to 0% for manufacturers of motor vehicle tyres under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Raw materials for manufacture of aluminum cans for the dairy industry.</p> <p>Aluminum can is a bucket, pail, or other container made of aluminum that is used for holding or carrying liquid, food, beverage etc.</p>	<ul style="list-style-type: none"> Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled (Complete Knocked Down) motor cycle kits imported by approved local assemblers of motor cycles.</p>	<ul style="list-style-type: none"> Imported at import duty rate of 10% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled (Complete Knocked Down) bicycle kits imported by approved local assemblers of bicycles.</p>	<ul style="list-style-type: none"> Imported at import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Raw materials and inputs used in the assembly of transformers and switch gear.</p>	<ul style="list-style-type: none"> Imported at import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Raw materials for manufacture of sanitary towels and tampons</p>	<ul style="list-style-type: none"> Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.

	<p>Inputs used for the production of solar panels</p>	<ul style="list-style-type: none"> • Remission of import duty rate 0% under duty remission of scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Component parts and inputs for the assemblers of refrigerators and freezers.</p>	<ul style="list-style-type: none"> • Remission of import duty rate of 10% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs and raw materials to use in the manufacture of food supplements for infants and nutrient deficient persons</p>	<ul style="list-style-type: none"> • Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Scrap batteries for manufacture of lead batteries</p>	<ul style="list-style-type: none"> • Remission of import duty rate of 0% under duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs used in the production of gas cylinders imported by manufacturers of such cylinders</p>	<ul style="list-style-type: none"> • Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs for the manufacture of dry cell batteries.</p>	<ul style="list-style-type: none"> • Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs for manufacture of matches and match boxes.</p>	<ul style="list-style-type: none"> • Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.

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	<p>Inputs for the manufacture of deep cycle batteries</p>	<ul style="list-style-type: none"> Duty remission to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Materials for manufacture of mosquito nets</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.
	<p>Inputs for use in the manufacture of medical diagnostic kits imported by manufacturers of medical diagnostic kits as approved by a Director medical services</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.
	<p>Packing materials and raw materials for the manufacture of medicaments</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.
	<p>Iron and steel products for manufacture of automobile leaf springs, bolts and nuts</p>	<ul style="list-style-type: none"> Duty remission on inputs to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Trigger spray and lotion pumps for the manufacture of cosmetic containers</p>	<ul style="list-style-type: none"> Duty remission on inputs to 0% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Noodles for the manufacture of toilet soap</p>	<ul style="list-style-type: none"> Duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.


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	<p>Umbrella heads for roofing nails</p>	<ul style="list-style-type: none"> • Import duty remitted from 25% to 10% for the manufacture of roofing nails.
	<p>Glucose Syrup</p>	<ul style="list-style-type: none"> • Import duty is applicable at a rate of 0% for one year.
	<p>Odiferous mixtures of a kind used as raw materials in food and drink industries</p>	<ul style="list-style-type: none"> • Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs for the manufacture of toothbrushes</p>	<ul style="list-style-type: none"> • Granted duty remission at 0% on inputs for the manufacture of toothbrushes under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Nylon yarns for the manufacture of fishing nets.</p>	<ul style="list-style-type: none"> • Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs imported by a manufacturer for the use in the manufacture of agricultural equipment.</p>	<ul style="list-style-type: none"> • Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs used in the manufacture of pesticides, fungicides, insecticides and acaricides as approved by the Ministry of Agriculture</p>	<ul style="list-style-type: none"> • Granted duty remission at 0% on inputs used in the manufacture of pesticides, fungicides, insecticides and acaricides as approved by the Ministry of Agriculture.








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	<p>Inputs used in the manufacture of energy stoves.</p>	<ul style="list-style-type: none"> • Granted duty remission at 0% on inputs used in the manufacture of energy saving stoves.
	<p>Roofing tiles coated with acrylic paint and the weather side coated with natural sand granules</p>	<ul style="list-style-type: none"> • Inputs for the manufacture of roofing tiles to be imported at a duty rate of 0% for one year. • Inputs for the manufacture Roofing tiles coated with acrylic paint and the weather side coated with natural sand granules to be imported at a duty of 0% for one year.
	<p>Jacquard material for making spring mattresses (printed with Logo)</p>	<ul style="list-style-type: none"> • Import duty applicable at a rate of 10% for one year instead of 25%.
	<p>Weave fabrics of polyester staple fibre Woven Grey Fabric of higher (finer) yarn counts for wet.</p>	<ul style="list-style-type: none"> • Import duty applicable at a rate of 10% instead of 25% for one year.
	<p>Poly Cotton Material for making mattresses</p>	<ul style="list-style-type: none"> • Import duty applicable at a rate of 10% for one year. To support the textile sector by increasing availability of these materials.
	<p>Poly Vinyl Alcohol</p>	<ul style="list-style-type: none"> • Import duty applicable at a rate of 0% instead of 10%.
	<p>Wheat Grain</p>	<ul style="list-style-type: none"> • Import duty is applicable at a rate of 10% instead of 35% for one year.








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	<p>Barley</p>	<ul style="list-style-type: none"> • Import duty is applicable at a rate of 10% instead of 25% for one year.
	<p>Aerosol cans</p>	<ul style="list-style-type: none"> • Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Organic surface active agents (Anionic) (LABSA)</p>	<ul style="list-style-type: none"> • Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Organic surface active agents (Cationic)</p>	<ul style="list-style-type: none"> • Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Textile garments coated with gum for direct use in the manufacture of books</p>	<ul style="list-style-type: none"> • Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Duplex boards</p>	<ul style="list-style-type: none"> • Duty remission to 0% instead of 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs for assembly of ships</p>	<ul style="list-style-type: none"> • Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.

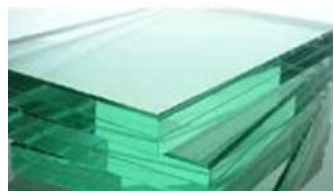

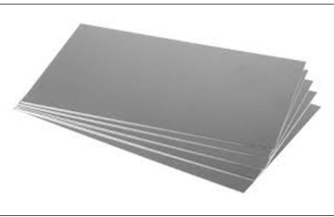





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	<p>Inputs for assemblers of equipment specially designed for use by disabled, blind and physically handicapped persons</p>	<ul style="list-style-type: none"> • Duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Inputs for manufacture of filters</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Groats and meal of wheat</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled speakers (CKD)-inputs for assembly of speakers</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled (CKD) hot water kettles-inputs for assembly of hot water kettles</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled (CKD) DVD players-inputs for assembly of DVD players</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled flat iron (CKD)-inputs for assembly of flat iron</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.

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	<p>Unassembled (CKD) blenders- inputs for assembly of blenders</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled (CKD) LED, CFL bulbs - inputs for assembly of LED & CFL bulb</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled floor, table and wall fans</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Unassembled Cookers</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Listed inputs for the manufacture of furniture</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% and 10% under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Steel Blanks for Spoons and forks</p>	<ul style="list-style-type: none"> • Granted duty remission rate to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Stranded wire, ropes and cables for the manufacture of toughened and laminated glass</p>	<ul style="list-style-type: none"> • Granted duty remission rate to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials. Of poly (vinyl butyral) for the manufacture of Toughened and laminated glass.</p>	<ul style="list-style-type: none"> • Granted duty remission rate of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.







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	<p>Non-wired glass for the manufacture of Toughened and laminated glass.</p>	<ul style="list-style-type: none"> Granted duty remission of 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium for the manufacture of decorative aluminum panels</p>	<ul style="list-style-type: none"> Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Aluminium plates, sheets and strip of a thickness exceeding 0.2 mm of aluminum alloy for the manufacture of decorative aluminum panels</p>	<ul style="list-style-type: none"> Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Listed inputs for the manufacture of baby diapers</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Acrylic polymers for manufacture of paints</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004.
	<p>Listed inputs for the manufacture of textiles (garments)</p>	<ul style="list-style-type: none"> Granted duty remission to 0% and 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Listed inputs for the manufacture of footwear (shoes)</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Inputs for the manufacture of edible salt of sub-heading 2501.00.00</p>	<ul style="list-style-type: none"> Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004






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	<p>Inputs for the assembly/ manufacture of mobile phones</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Parts of chains for assemblers of chains for motorcycles, bicycles and industrial machinery</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>High tensile galvanized wire</p>	<ul style="list-style-type: none"> Granted duty remission to 100% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Listed Packaging materials</p>	<ul style="list-style-type: none"> Granted a remission of duty to apply a duty rate of a 0% on packaging material used by domestic processors of coffee, for one year
	<p>Inputs to manufacture essential medical products and supplies including masks, sanitizers, coveralls, face shields and ventilators for treatment and management of epidemic</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Listed equipment for polishing and Heating gemstones</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Active yeasts</p>	<ul style="list-style-type: none"> Granted duty remission to 25% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Petroleum jelly</p>	<ul style="list-style-type: none"> Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004

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	<p>Polyurethane resins</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Unbleached Kraftliner in rolls or sheets</p>	<ul style="list-style-type: none"> Granted duty remission to 10% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Unbleached sack kraft paper in rolls or sheets</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Paper and paperboard coated, impregnated or covered with plastics (excluding adhesives)</p>	<ul style="list-style-type: none"> Granted duty remission to 0% for one year under the duty remission scheme in accordance with section 140 of the East African Community Customs Management Act, 2004
	<p>Various goods entering export processing zone or Freeport strictly for manufacturing of goods for export.</p> <p>“Export processing zone” means a designated part of Customs territory where any goods introduced are generally regarded, in so far as import duties and taxes are concerned, as being outside Customs territory but are restricted by controlled access</p>	<ul style="list-style-type: none"> Goods entering an export processing zone or a freeport shall be exempt from duty in accordance with the East African Community Customs Management Act
	<p>Plant and machinery</p>	<ul style="list-style-type: none"> VAT deferment where payment of VAT at importation on specified imports is postponed to a future date. The cost of the plant and machinery should be at least \$22,500 and above.

	<p>Industrial replacement spare parts</p> <ul style="list-style-type: none"> • A spare part is a duplicate part to replace a lost or damaged part of a machine. • Parts should be imported as replacement parts used exclusively on industrial machinery classified in Chapters 84 and 85 of the EAC Common External Tariff • Should be imported by registered manufacturers • Should not be for resale or any other commercial purpose other than for replacement of worn out or obsolete parts of industrial machines subject to such conditions as the commissioner may impose 	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Containers and Pallets used for packaging.</p> <p>Containers, including boxes, tins, bottles, jars and other packages in which any goods not liable to ad valorem duty are packed and imported being ordinary trade packages for the goods contained therein</p> <p>Containers specially designed and equipped for carriage by any mode of transport</p> <p>Imported containers which the commissioner is satisfied on the recommendation of the director veterinary services that it is specially designed for storing semen for artificial insemination</p> <p>Any other packing material of any kind designed for packing goods for export</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Pallets and pre-packing slings designed for packaging goods for export</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.

TRANSPORT SECTOR		
Description	Tax incentive	
 <p>Duty free import of aircrafts and aircraft accessories: These include</p> <ol style="list-style-type: none"> 1. Aircrafts 2. Aircraft engine, parts and accessories 3. Air navigation instruments 4. Lighting 5. Radio and radar apparatus 6. Equipment for Servicing and maintenance of air crafts 7. Ground signs stairways for boarding aircraft 8. Catering stores e.g. luncheon boxes, cardboard trays, paper plates, paper napkins, lubricants; staff uniforms; calendars, diaries and pens as promotional materials” for use in airline. 	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004 	
 <ol style="list-style-type: none"> 1. Specialized aircraft loading and unloading equipment 2. Apron buses essentially for airports 	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004 	
 <p>Commercial Vehicles of gross weight 20 tonnes and above.</p>	<ul style="list-style-type: none"> • Free of import duty for one year, VAT is payable 	
 <p>Road Tractors for semi - trailers.</p>	<ul style="list-style-type: none"> • Free of import duty for one year, VAT is payable. 	
 <p>Goods carrying vehicle with gross vehicle weight exceeding 5 tonnes but not exceeding 20 tonnes</p>	<ul style="list-style-type: none"> • Import duty is 10% instead of 25% for one year 	

	<p>Ships and other vessels includes the following</p> <ol style="list-style-type: none"> 1. Passenger and cargo vessels of all kinds of twenty five tonnage net weight or more 2. Cable ships, floating factories, whale catching vessels, trawlers and other commercial fishing vessels EXCEPT sport fishing vessels 3. Weather ships, hopper barges, lighters and pontoons (being flat decked vessels used for transportation of persons or goods) 4. Ferry boats, parts and accessories EXCEPT batteries and sparking plugs 	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>Battery operated vehicles for use in hotels, hospitals and airports.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act,2004
	<p>Motorvehicles specially designed for refuse/ garbage collection and disposal imported or purchased by local authorities / persons contracted by local authorities to collect refuse/garbage.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act,2004







OIL AND GAS SECTOR

Description	Tax incentive	
	<p>Equipment for use in the oil and gas sector. These include: Equipment and inputs and goods for direct and exclusive use in oil, gas or geothermal exploration and development EXCEPT motor vehicles.</p>	<ul style="list-style-type: none"> • Exempted of all taxes under the fifth schedule of the East African Community Customs Management Act upon recommendation by a competent authority

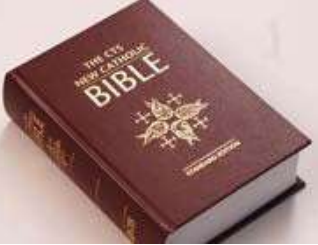

EDUCATION AND SPORTS SECTOR

	Description	Tax incentive
	<p>Educational materials. Annex D to the Florence Agreement</p> <p>Scientific instruments or apparatus, intended exclusively for educational purposes or pure scientific research, provided:</p> <ul style="list-style-type: none"> • That such scientific instruments or apparatus are consigned to public or private scientific or educational institutions approved by the competent authorities of the importing country for the purpose of duty-free entry of these types of articles, and used under the control and responsibility of these institutions; • That instruments or apparatus of equivalent scientific value are not being manufactured in the country of importation. <p>Please take note that this is an excerpt of the main text. You are encouraged to look at the whole text for the relevant provision applicable to the goods you have imported.</p>	<ul style="list-style-type: none"> • All Approved educational articles and materials as specified in the Florence agreement are tax exempt under the fifth schedule of the East African Community Customs Management Act.
	<p>One motor vehicle for rally driver and spare parts.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>One Motor cycle for racing/rally</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>One Bicycle for racing/ rally</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004




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	<p>Exercise books</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act if locally produced • Imported exercise books attract VAT
	<p>Mathematical sets & geometry sets used in educational services</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>Woodworking machines</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>Welding machines</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>Sewing machines</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act • Import duty is 0% under East African Community Common External Tariff.
	<p>Crayons, coloured pencils, lead pencils, rulers, erasers, stencils, technical drawing sets, educational computer tablets, educational computer applications or laboratory chemicals for teaching science subjects used in educational services.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act.
	<p>Textbooks</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.


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	<p>Bible</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>Qu'rans</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.

ENERGY SECTOR





		Tax incentive
	Description	
	<p>Specialized equipment for development and generation of solar and wind energy, including accessories and deep cycle batteries which use and/ or store power. These include:</p> <ul style="list-style-type: none"> • Deep cycle batteries • Solar panels • Direct current inverters • Direct current charge controller 	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>Penstock pipes for use in hydro power projects</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% instead of 10% or 25% for one year.
	<p>Plastic bag bio gas digesters</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004

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	<p>Water treatment effluent plant</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
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HOTEL AND TOURISM

Any of the following goods engraved or printed or marked with the hotel logo imported by a licensed hotel for its use:

	Description	Tax incentive
	<p>a) Washing machines Machine for washing clothes, bed linens, etc.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>b) Kitchen ware Instruments and utensils found in a kitchen, particularly those associated with the preparation and serving of food.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>c) Cookers Utensil, device, or apparatus for cooking</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>d) Fridges and freezers A box, room, or cabinet in which food, drink, etc., are kept cool by means of ice or mechanical refrigeration</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004

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	<p>e) Air conditioning systems A system used for cooling and drying the air in a building, room, etc.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>f) Cutlery Edged or cutting tools specifically implements for cutting and eating food.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>g) Televisions A device that receives television signals and reproduces them on a screen</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>h) Carpets A carpet is a textile floor covering typically consisting of an upper layer of pile attached to a backing</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>i) Furniture Large movable equipment, such as tables and chairs, used to make a house, office, or other space suitable for living or working</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>j) Linen and curtains Linen: Sheets, pillowcases, and duvet covers Curtain: A piece of material suspended at the top to form a covering or screen, typically one of a pair at a window</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004

	<p>k) Gymnasium equipment Exercise equipment is any apparatus or device used during physical activity to enhance the strength or conditioning effects of that exercise by providing either fixed or adjustable amounts of resistance, or to otherwise enhance the experience or outcome of an exercise routine</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>2) Bathrobes</p>	<ul style="list-style-type: none"> Import duty is applicable at a rate of 0% instead of 25% for one year when imported by a licensed hotel.
	<p>3) Clothes-dryers</p>	<ul style="list-style-type: none"> Import duty is applicable at a rate of 0% instead of 10% for one year when imported by a licensed hotel.



4) Motor car for transportation of tourist imported by tour operators upon recommendation by a competent authority responsible for tourism promotion in a partner state provided the Vehicles meet the following conditions;

a) They are four wheel drive with open roof facility for game viewing and have a seating capacity not exceeding 12 passengers.

b) They have provisions for camping, rescue and first aid equipment, baggage and compartment and communication fittings.

c) They are of a colour that blends with the environment where they operate and have a clear and conspicuous label or marking of "Tourist vehicle."

d) Any other condition that the commissioner may impose.

Provided that duties shall be payable upon disposal for other use or change of use

- Exempted from all taxes under the fifth schedule of the East African Community Management Act, 2004





5) Sightseeing buses

- Front facing comfortable reclining coach seats.
- Basic lavatory facilities.
- Provisions for first aid equipment, communication fittings and luggage compartment.
- Seating capacity above 20.
- Any other condition the commissioner may impose or vary.

Provided that duties shall be payable upon disposal for other use or change of use.

- Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004


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	<p>6) Overland truck</p> <ul style="list-style-type: none"> • High clearance for off road driving. • Forward facing comfortable reclining coach seats. • Inverter for charging electrical items. • Camping stocks, tents, kitchen and food storage. • Windows for good all round view. • Provisions for first aid equipment, communication fittings and luggage compartment. • Any other condition the commissioner may impose or vary. <p>Provided that duties shall be payable upon disposal for other use or change of use</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>7) Tourism boats</p>	<ul style="list-style-type: none"> • Tourism boats imported by a lincensed tour operator exempted from taxes under the 5th Schedule of the EAC CMA.

SECURITY SECTOR





Description	Tax incentive
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Duty free import of gadgets used in promoting security of public spaces

	<p>1)Hand held metal detectors Hand Held Metal Detectors are used by Security, Police and Military officers to carry out a non-invasive search of a person for metallic items</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
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	<p>2) Walk through metal detectors Walk through” metal detectors used for security screening at access points in prisons, courthouses, and airports to detect concealed metal weapons on a person’s body</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>3) CCTV cameras CCTV (closed-circuit television) is a TV system in which signals are not publicly distributed but are monitored, primarily for surveillance and security purposes</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>4) Bomb detectors A bomb detector is a device that enables non - destructive inspection to determine whether a container contains explosive material. Explosive detectors are commonly used at airports, ports and for border control</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004
	<p>5) Under carriage Mirror An under vehicle inspection system which is used to detect threats such as bombs that are hidden underneath vehicles</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004





HEALTH & MEDICAL SECTOR






Description	Tax incentive
<p>Any of the following goods engraved or printed or marked with the hospital logo imported for use in licensed hospitals, as recommended by the Director of Medical Services subject to such conditions and limitations as the Commissioner may impose.</p> 	<p>a) Shadow less lamps for use in operating theaters</p> <ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>b) Blood freezers</p> <ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>c) Kitchen ware and equipment</p> <ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>d) Laundry equipment</p> <ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004

	<p>e) Mattresses and linen</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>f) Bedside screens</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>g) Air conditioners</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>h) Water heating equipments</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>i) Trolleys and stretchers</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>j) Furniture</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004


	<p>2) Packaging material for medicines</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>3) Raw materials for the manufacture of medicaments</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>4) Examination gloves for laboratory and medical use.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004
	<p>5) Hospital furniture imported by dealers for supply to licensed hospitals</p>	<ul style="list-style-type: none"> Exempted from excise duty under the Excise Duty Act.
	<p>6) Medical Autoclaves. A medical autoclave is a device that uses steam to sterilize equipment and other objects. This means that all bacteria, viruses, fungi, and spores are inactivated</p>	<ul style="list-style-type: none"> Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff.
	<p>7) X-Ray Machines for medical use X ray machine means an electrically powered device producing x-rays for the irradiation of a human being or an animal for a therapeutic or diagnostic purpose or for industrial use</p>	<ul style="list-style-type: none"> Exempted from VAT under the VAT Act. Import duty is 0% under East African Community Common External Tariff.

	<p>8) Chemical Analysers for blood analysis</p> <p>A blood chemistry analyzer may be used to test for many things, such as blood cell counts, therapeutic drug monitoring, illegal drug use, blood typing, protein analysis, checking thyroid function, checking for the presence of antibodies, and, when used by patients at home, for glucose or cholesterol monitoring</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>9) Ophthalmic instruments and appliances. This device is used to examine the eye.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>10) Dental drill equipment A dental drill or dentist's drill is a small, high-speed drill used during dental procedures, usually to remove decay and shape tooth structure prior to the insertion of a filling or crown. A dental drill may also be used in the cleaning and shaping of root canals during endodontic treatment, or to remove old or temporary fillings or crowns prior to the insertion of new or permanent restorations.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>11) Ultrasound machinery</p> <p>An ultrasound machine makes images so that organs inside the body can be examined. The machine sends out high-frequency sound waves, which reflect off body structures. A computer receives the waves and uses them to create a picture. The test is done in the ultrasound or radiology department.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.





	<p>12) Syringes A medical device that is used to inject fluid into, or withdraw fluid from, the body. A medical syringe consists of a needle attached to a hollow cylinder that is fitted with a sliding plunger.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>13) Cardio graphic machine A machine for recording the beating of the heart.</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>14) Wheel chairs A wheelchair is a manually operated or power-driven device designed primarily for use by an individual with a mobility disability for the main purpose of indoor, or of both indoor and outdoor, locomotion.</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.
	<p>15) Crutches Medical Definition of Crutch. Crutch: A wooden or metal vertical prop that helps support a disabled person while he or she is walking. Arm crutches typically are metal and have a single shaft with a projecting handgrip and a cuff that closes around the arm. Crutches usually have a nonskid rubber tip on the bottom</p>	<ul style="list-style-type: none"> • Exempted from all taxes under the 5th schedule of the East African Community Customs Management Act, 2004.






	<p>16) Artificial parts of the body (teeth, legs, joints). Dentures, (alsoknown as false teeth), are prosthetic devices constructed to replace missing teeth; they are supported by the surrounding soft and hard tissues of the oral cavity. Conventional dentures are removable (removable partial denture or complete denture).</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>17) A prosthesis is an artificial device/substitute or that replaces a missing body part such as tooth, leg, arm, knee, facial bone, another joint, hip etc which may be lost through trauma, disease, or congenital conditions</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>18) Hearing aid. A hearing aid is a small electronic device that you wear in or behind your ear. It makes some sounds louder so that a person with hearing loss can listen, communicate, and participate more fully in daily activities. A hearing aid can help people hear more in both quiet and noisy situations</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>19) Medicated cotton wool</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act. • Import duty is 0% under East African Community Common External Tariff.
	<p>20) Medical bandage</p>	<ul style="list-style-type: none"> • Exempted from VAT under the VAT Act • Import duty is 0% under East African Community Common External Tariff.




	<p>21) Refrigeration equipment for dead bodies for use in Hospital, city council or funeral home”</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>22) Motorboat ambulance</p>	<ul style="list-style-type: none"> Import duty is 0% under East African Community Common External Tariff and exempted from VAT
	<p>23) Motor Vehicle ambulance</p>	<ul style="list-style-type: none"> Import duty is applicable at a rate 0% under East African Community Common External Tariff and exempted from VAT
	<p>24) Maternity (mama) kit</p>	<ul style="list-style-type: none"> Import duty is applicable at a rate of 0% instead of 25% for one year. Exempted from VAT
	<p>25) Braille machines used by the blind</p>	<ul style="list-style-type: none"> Import duty is applicable at a rate 0% instead of 25% for one year. Exempted from VAT
	<p>26) Braille paper used by the blind</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>27) Heating, ventilating and air conditioning equipment for pharmaceutical manufacturers.</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.




	<p>28) Tsetse fly traps</p>	<ul style="list-style-type: none"> Exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
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CONSTRUCTION SECTOR

Description	Tax incentive
	<p>Specialised vehicles</p> <ul style="list-style-type: none"> Concrete Mixers - Self propelled Concrete Pumps <ul style="list-style-type: none"> The equipment is free of import duty by tariff. VAT is deferrable for VAT registered companies
	<p>Earth Moving Machinery</p> <ul style="list-style-type: none"> Excavators Bull dozers Angle Dozers <ul style="list-style-type: none"> The equipment is free of import duty by tariff. VAT is deferrable for VAT Registered Companies
	<p>Cranes for Construction</p> <ul style="list-style-type: none"> The equipment is free of import duty by tariff. VAT is deferrable for VAT Registered Companies
	<p>Scaffolding</p> <ul style="list-style-type: none"> When obtained from the region of East Africa, they shall be exempted from import duty.

	<p>Surveying Equipment</p> <ul style="list-style-type: none"> • Global Positioning Systems (GPS) • Theodolites • Line of site equipment • Rangefinders They are largely used by road construction firms, surveyors, oil exploration, mining. 	<ul style="list-style-type: none"> • The equipment is free of import duty by tariff. • VAT is payable
	<p>Goods Carrying vehicles - Tippers</p> <ul style="list-style-type: none"> • Gross Vehicle Weight exceeding 5 tonnes but not exceeding 20 tonnes. • Gross Vehicle Weight exceeding 20 tonnes. 	<ul style="list-style-type: none"> • Goods carrying vehicle with gross weight exceeding 5 tonnes but not exceeding 20 tonnes import duty is 10% for one year • Goods carrying vehicle with gross weight 20 tonnes and more is free of import duty for one year.
	<p>Temporary imports of Construction Machinery of a specialised nature for use in the construction sector that is not listed above. Terms and conditions as specified in the East African Community- Customs Management Act, 2004 apply.</p>	<ul style="list-style-type: none"> • Taxes suspended and goods secured on bond that is cancelled upon re export.
	<p>Pipe line construction of oil and gas from Uganda to Dar- es -salaam</p>	<ul style="list-style-type: none"> • Inputs for use in the construction of the oil and gas pipeline are exempted from all taxes under the fifth schedule of the East African Community Customs Management Act, 2004.
	<p>Hydro power construction equipment and inputs.</p>	<ul style="list-style-type: none"> • The supplies for the use in hydropower project are exempted from VAT.

	<p>Regional Economic Communities (RECs) that include East African Community (EAC), Common Market for East and Central Africa (COMESA). Soon entering the TRIPARTITE that will include EAC, COMESA and SADC (South African Development Co-operation)</p>	<ul style="list-style-type: none"> Imports from the Regional Economic Communities are given preferential import duty treatment.
	<p>The country has industries for local inputs that are of high quality and manufactured in Uganda. These items when procured locally attract only local taxes.</p>	<ul style="list-style-type: none"> Industries that produce items such as cables, cement, iron bars, pipes, nails, roofing sheets etc
	<p>Upcoming projects such as Standard Gauge Railway (SGR) are offering opportunities in construction sector.</p>	<ul style="list-style-type: none"> The project if funded by donors shall have its inputs exempted from taxes under the East African Community Customs Management Act, 2004.

	<p>Pre-fabricated buildings for factory use imported by registered manufacturers or other entities such as warehouse construction.</p>	<ul style="list-style-type: none"> • VAT Deferrable for pre- fabricated buildings for factory use.
	<p>The supply of earth moving equipment and machinery for development of an industrial park or free zone to a developer of an industrial park or free zone whose investment is at least fifty million United States Dollars</p>	<ul style="list-style-type: none"> • VAT is applicable at 0% under the VAT Act.
	<p>The supply of construction materials for development of an industrial park or free zone to a developer of an industrial park or free zone whose investment is at least fifty million United States Dollars</p>	<ul style="list-style-type: none"> • VAT exempt under the VAT Act • Excise duty is nil



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