



THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

THE NATIONAL ASSEMBLY

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

INTERIM REPORT ON:

THE INQUIRY INTO THE IMPORTATION OF RAW SUGAR BY MOMBASA SUGAR
REFINERY LIMITED

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 AUG 2026 DAY: Tuesday	
TABLED BY:	Hon. Bernard Shirai, MP Chairperson
CLERK-AT THE-TABLE:	A. Shibusko

CLERKS CHAMBERS

DIRECTORATE OF DEPARTMENTAL COMMITTEES

PARLIAMENT BUILDINGS

NAIROBI

AUGUST 2026



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CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Trade, Industry and Cooperatives on the Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited.

The Departmental Committee on Trade, Industry and Cooperatives resolved to conduct an Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited as a result of a media exposé where it was alleged that Mombasa Sugar Refinery Limited had imported 27,000 MT of harmful sugar from South Africa which had been repackaged and distributed for sale in the country.

The purpose of the Inquiry is to investigate the circumstances surrounding the importation, transportation, storage, refining and distribution of raw sugar by Mombasa Sugar Refinery Limited and the broader sugar importation landscape in Kenya, and to determine compliance with applicable laws, regulations and licensing conditions, with a view to protecting consumers, safeguarding government revenue and strengthening regulation of the sugar sector.

In carrying out the Inquiry, the Committee has reviewed documents; held meetings with relevant government agencies and Mombasa Sugar Refinery Limited; and conducted inspection visits to the Port of Mombasa, Nairobi Freight Terminus (NFT) Autoport and Mombasa Sugar Refinery Limited.

From the meetings and inspection visits, the Committee established that: the raw sugar was imported by Wilmar Sugar Pte Limited on behalf of Mombasa Sugar Refinery Limited; raw sugar is not listed as one of the sugar imports in Form 3 and 4 in the Schedule to the Sugar (Imports and Exports) Regulations, No. 168 of 2025; the raw sugar is stored in three locations i.e. the Port of Mombasa (shed 7 and 8), the Nairobi Freight Terminus (NFT) Autoport, and the Mombasa Sugar Refinery Limited; test runs were ongoing in preparation for refining the imported raw sugar; and the CS National Treasury and Economic Planning approved waiver of the Railway Development Levy (RDL) and the Import Declaration Fee (IDF) under paragraph (xxvi), Part A of the Second Schedule to the Miscellaneous Fees and Levies Act, Cap. 469C.

The Committee has made interim recommendations on the Inquiry including: testing of the raw sugar and industrial sugar refined by MSRL by an independent laboratory; establishing if MSRL has the capacity to refine the 27,000 MT of raw sugar; gazetting the appointment of the Multi-Agency Team with clear terms of reference; and developing regulations on the importation of raw sugar.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it while conducting the Inquiry. The Committee further thanks the National Treasury and Economic Planning, the State Department for Industry, the State Department for Trade, Kenya Sugar Board, Kenya Revenue Authority, Kenya Bureau of Standards, Kenya Plant Health Inspectorate Service and Mombasa Sugar Refinery Limited for availing information to the Committee that has made it possible to prepare this interim report.

Finally, I wish to express my appreciation to Members of the Committee and the Committee Secretariat who made useful contributions towards the production and preparation of this report.

On behalf of the Departmental Committee on Trade, Industry and Cooperatives and pursuant to provisions of Standing Order 199(6), it is my pleasant privilege and honour to present to this House the

Interim Report of the Committee on the Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited.

Hon. Benard Masaka Shinali, CBS, MP
Chairperson,
Departmental Committee on Trade, Industry and Cooperatives

CHAPTER ONE

1.0 PREFACE

1.1 Establishment of the Committee

1. The Departmental Committee on Trade, Industry and Cooperatives is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate under **Standing Order 216 (5)** is as follows:

- i. **To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;**
- ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
- iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
- iv. *To study and review all the legislation referred to it;*
- v. *To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
- vi. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
- vii. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
- viii. *To examine treaties, agreements and conventions;*
- ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
- x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
- xi. *To examine any questions raised by Members on a matter within its mandate.*

1.2 Mandate of the Committee

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider trade, including securities exchange, consumer protection, pricing policies, commerce, industrialisation including special economic zones, enterprise promotion & development including micro, small & medium enterprises (MSMEs), and small and medium enterprises (SMEs), intellectual property, industrial standards, anti-counterfeit policies and cooperatives development.
3. In executing its mandate, the Committee oversees the Ministry of Investment, Trade and Industry; and the Ministry of Cooperatives and MSMEs.

I.3 Committee Membership

4. The Departmental Committee on Trade, Industry and Cooperatives was reconstituted by the House on 5th March 2025 and comprises the following Members:

Chairperson

Hon. Benard Masaka Shinali, CBS, MP
Ikolomani Constituency

ODM Party

Vice-Chairperson

Hon. Marianne Jebet Kitany, MP
Aldai Constituency

UDA Party

Members

Hon. Adhe Wario Guyo, MP
North Horr Constituency
KANU Party

Hon. Anthony Tom Oluoch, MP
Mathare Constituency
ODM Party

Hon. Dr. Beatrice Kahai Adagala, MP
Vihiga County
ANC Party

Hon. Joshua Mbithi Mwalyo, MP
Masinga Constituency
Independent Member

Hon. Joyce Kamene, MP
Machakos County
WDM-K Party

Hon. Robert Githinji Gichimu, MP
Gichugu Constituency
UDA Party

Hon. Dr. Wilberforce Ojiambo Oundo, MP
Funyula Constituency
ODM Party

Hon. Adams Korir Kipsanai, MP
Keiyo North Constituency
UDA Party

Hon. Alfred Kipronoh Mutai, MP
Kuresoi North Constituency
UDA Party

Hon. Amos Maina Mwago, MP
Starehe Constituency
Jubilee Party

Hon. John Okano Bwire, MP
Taveta Constituency
WDM-K Party

Hon. Samuel Parashina Sakimba, MP
Kajiado South Constituency
ODM Party

Hon. Michael Wainaina Wambugu, MP
Othaya County
UDA Party

I.5 Committee Secretariat

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omusa Wesonga
Clerk Assistant I/Head of Secretariat

Ms. Carolynne Musyoka
Hansard Reporter II (Clerk Assistant)

Ms. Doreen Karani
Principal Legal Counsel II

Mr. Peter Barasa
Legal Counsel I

Priscilla Wangu
Fiscal Analyst II

Ms. Pauline Sifuma
Hansard Reporter II

Ms. Priscilla Saidi
Research Officer III

Mr. Ambrose Nguti
Media Relations Officer III

Ms. Margaret Wainaina
Media Relations Officer III

Ms. Peris Kaburi
Assistant Serjeant-at-Arms

Mr. Kelvin Lengasi
Audio Assistant

CHAPTER TWO

2.0 TERMS OF REFERENCE FOR THE INQUIRY INTO THE IMPORTATION OF RAW SUGAR BY MOMBASA SUGAR REFINERY LIMITED

2.1 Background of the Inquiry

6. The Departmental Committee on Trade, Industry and Cooperatives resolved to conduct an Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited. The inquiry follows media reports alleging that industrial-grade sugar contaminated with heavy metals is being imported into Kenya, repackaged, and sold to unsuspecting consumers. The inquiry also arises from concerns identified during a preliminary examination of documents submitted by the Kenya Sugar Board relating to the importation of raw sugar by Mombasa Sugar Refinery Limited.
7. The Committee received information regarding the importation of approximately 27,000 metric tonnes of raw sugar by Mombasa Sugar Refinery Limited and subsequently engaged the Kenya Sugar Board, receiving documentation relating to the importation, storage, transportation, monitoring and intended refining of the sugar consignment. Analysis of those documents raised serious concerns about regulatory compliance, consumer safety, and the risk of raw sugar being diverted into the retail market for human consumption.
8. The Committee resolved to institute an inquiry to establish the facts, determine compliance with applicable laws and regulations, and make recommendations to safeguard consumers, protect the local sugar industry and enhance accountability in the sugar sector.

2.2 Purpose of the Inquiry

9. The purpose of the Inquiry is to investigate the circumstances surrounding the importation, transportation, storage, refining and distribution of raw sugar by Mombasa Sugar Refinery Limited and the broader sugar importation landscape in Kenya, and to determine compliance with applicable laws, regulations and licensing conditions, with a view to protecting consumers, safeguarding government revenue and strengthening regulation of the sugar sector.

2.3 Objectives of the Inquiry

10. The objectives of the inquiry are to:
 - a) establish the legality and propriety of the importation of sugar into Kenya, including the importation of approximately 27,000 metric tonnes of raw sugar by Mombasa Sugar Refinery Limited;
 - b) investigate the movement, storage and monitoring of imported sugar consignments, including the consignment imported by Mombasa Sugar Refinery Limited;
 - c) determine whether adequate safeguards exist to prevent diversion of imported raw sugar into the retail market for human consumption;
 - d) assess compliance with conditions attached to refinery and importer licensing;
 - e) verify the operational status and refining capacity of sugar refineries in Kenya, including Mombasa Sugar Refinery Limited;

- f) assess the impact of imported sugar on local sugar millers, consumers and other stakeholders in the sugar sector;
- g) examine the effect of sugar importation on the competitiveness and sustainability of the local sugar industry;
- h) evaluate revenue implications relating to duties, taxes, levies and exemptions, including the Sugar Development Levy; and
- i) identify weaknesses in the legal and regulatory framework governing sugar imports and refining, and recommend corrective policy, legislative and administrative measures.

2.4 Scope of the Inquiry

11. The inquiry covered the following:

- a) The legal and regulatory framework governing the importation, refining and distribution of sugar in Kenya;
- b) Import permits and approvals issued to sugar importers and refiners, including Mombasa Sugar Refinery Limited;
- c) The transportation, storage and chain of custody of imported sugar consignments;
- d) Compliance with customs requirements and quality standards for imported sugar;
- e) Refinery infrastructure, production capacity and compliance with licensing conditions;
- f) Monitoring systems and traceability mechanisms for imported raw sugar;
- g) Revenue, taxation, the Sugar Development Levy and exemption arrangements of imported raw sugar;
- h) Consumer protection and food safety concerns arising from the alleged diversion of raw sugar into the retail market; and
- i) The effect of sugar importation on local sugar production and the sugar value chain.

2.5 Methodology of the Inquiry

12. The Committee is conducting the Inquiry through the following means:

- a) Receipt and analysis of written submissions and memoranda from relevant government agencies, private entities, and members of the public;
- b) Oral appearances by witnesses and stakeholders;
- c) Site inspection visits to relevant facilities, including the Port of Mombasa, NFT Autoport and the Mombasa Sugar Refinery Limited premises in Kisumu;
- d) Review of documentary evidence, including official records, permits, approvals, minutes and correspondence;
- e) Engagement of technical and industry experts where necessary; and
- f) Any other method the Committee will deem appropriate.

CHAPTER THREE

3.0 STAKEHOLDER ENGAGEMENT ON THE IMPORTATION OF RAW SUGAR BY MOMBASA SUGAR REFINERY LIMITED

13. In conducting the Inquiry, the Committee held meetings with the following stakeholders:

- i. The National Treasury and Economic Planning;
- ii. The State Department for Trade;
- iii. The State Department for Industry;
- iv. Kenya Revenue Authority;
- v. Kenya Bureau of Standards;
- vi. Kenya Plant Health Inspectorate Service;
- vii. Kenya Sugar Board; and
- viii. Mombasa Sugar Refinery Limited

The submissions made by the above stakeholders will be contained in the detail report that will be tabled by the Committee after completing the Inquiry.

CHAPTER FOUR

4.0 INSPECTION VISITS CONDUCTED BY THE COMMITTEE

14. To get more information on the Importation of Raw Sugar by Mombasa Sugar Refinery Limited, the Committee undertook the following inspection visits:

- i. The Port of Mombasa
- ii. The Nairobi Freight Terminus Autoport
- iii. Mombasa Sugar Refinery Limited

Details of the inspection visits conducted by the Committee will be contained in the detailed report that will be tabled by the Committee after completing the Inquiry.

CHAPTER FIVE

5.0 COMMITTEE FINDINGS/OBSERVATIONS FROM THE INQUIRY

From the meetings held with stakeholders, inspection visits and documents submitted to the Committee, the Committee made the following findings:

1. The raw sugar was imported by Wilmar Sugar Pte Limited on behalf of Mombasa Sugar Refinery Limited;
2. The Phytosanitary Certificate, Industrial Sugar Health Certificate, Certificate of Non-Radioactivity, Manufacturer's Certificate, and Certificate of Non-GMO were all issued by the South African Sugar Association. KEPHIS informed the Committee that raw sugar is a processed product and therefore has no phytosanitary risks;
3. Mombasa Sugar Refinery Limited was granted an approval for remission of import duty rate of 10% for importation of 165,000 MT of raw sugar for industrial use for manufacture of refined white sugar (food and pharmaceutical grade) to apply for twelve months from 18th April 2026 via Legal Notice No. EAC/92/2025 by the East African Council of Ministers (*annex 9*);
4. Mombasa Sugar Refinery Limited was issued with an Import Permit No. AFA/SD/IMPEXP/102988 dated 1st July 2025 (*annex 10*) by the Kenya Sugar Board. The Import Permit was valid from 1st July 2025 to 30th June 2026 and allowed them to import raw sugar;
5. Kenya Sugar Board issued a Pre-Shipment Approval Letter for the raw sugar consignment to Mombasa Sugar Refinery Limited on 18th December 2025 (*annex 11*). The expiry date for the Pre-Shipment Approval Letter was 1st February 2026;
6. MSRL paid taxes amounting to Kshs. 510,810,786 to KRA for the raw sugar consignment. Kshs. 323,957,168 was paid on 15th January 2026 while Kshs. 186,853,618 was paid on 17th January 2026 (*annex 12*). The specific taxes paid on the consignment are: Import Duty of Kshs. 161,080,706; Value Added Tax of Kshs. 283,502,042; Sugar Development Levy of Kshs. 64, 432,283; and Merchant Shipping Levy of Kshs. 1,795,755 (*annex 13*);
7. The Kenya Bureau of Standards contracted SGS to conduct Pre-Export Verification of Conformity (PVoC) tests on the raw sugar (*annex 14*). A Certificate of Conformity No. C-25ATNIM000211336/001 dated 23rd December 2025 (*annex 15*) indicating that the product was South African raw cane sugar in bulk was issued;
8. Section 4(2) (m) of the Sugar Act, 2024 (*annex 16*) assigns the mandate of registering and licensing sugar and jaggery mills, exporters, importers and dealers to the Board of Kenya Sugar Board. Paragraph 1(4) of the Second Schedule to the Sugar Act, 2024 provides that the quorum for the conduct of the business of the Board shall be two thirds of the members of the Board. The Act establishes a Board of eleven (11) members and therefore the quorum is eight (8). The import license was issued to MSRL on 1st June 2026, a time when the Board had only three (3) Directors hence no quorum to transact business;

9. Raw sugar is not listed as one of the sugar imports in Form 3 and 4 in the Schedule to the Sugar (Imports and Exports) Regulations, No. 168 of 2025 (*annex 17*);
10. The raw sugar is stored in three locations: the Port of Mombasa (shed 7 and 8), the Nairobi Freight Terminus (NFT) Autoport, and the Mombasa Sugar Refinery Limited. The Committee visited the three sites but was not able to verify the quantity of raw sugar stored in each site;
11. The Committee visited the Mombasa Sugar Refinery Limited on Monday, 15th June 2026 and established that the Refinery had not been operational since it was licensed in 2016. During the visit, test runs were ongoing in preparation for refining the imported raw sugar. The Committee was informed that some industrial sugar had been processed at the factory;
12. A multi-agency team was put in place to monitor the raw sugar consignment imported by Mombasa Sugar Refinery Limited. The MAT was mandated to determine the conditions governing the release of the sugar to MSRL and establish appropriate monitoring mechanisms to prevent diversion of the sugar from its intended purpose. From the engagements that the Committee has had with members of the MAT and government agencies, it has not been demonstrated how the sugar will be prevented from being diverted for sale in the country;
13. The Kenya Sugar Board's Guidelines on the Control of Imported Raw Sugar (*annex 19*) for Refining require licensed importers and refineries to submit monthly import, production, sales, and stock returns;
14. The CS National Treasury and Economic Planning approved waiver of the Railway Development Levy (RDL) and the Import Declaration Fee (IDF) under paragraph (xxvi), Part A of the Second Schedule to the Miscellaneous Fees and Levies Act, Cap. 469C (*annex 20*);
15. The tests conducted by KRA established that the consignment was of cane brown sugar while those conducted by SGS on behalf of KEBS indicated that it was raw cane sugar. This indicated that there were conflicting results on the type of sugar that was imported;
16. Documents submitted to the Committee by Kenya Sugar Board and MSRL indicate that the sugar is from South Africa. In a meeting held at the National Treasury Building on 23rd February 2026, the sugar that was being discussed was from Brazil (*annex 21*). It is therefore not clear as to whether the origin of the raw sugar is South Africa or Brazil; and
17. 4,299,657 Kgs of industrial sugar had been manufactured by MSRL as at 29th July 2026 i.e. 88,405 50 Kg bags (*annex 22*). 1,945 bags of the refined sugar had been sold to the following Companies: Tamtamz limited, 405 bags; Safa Dairy Limited, 200 bags; Rok Industries Limited, 500 bags; Joyline East Africa Limited, 600 bags; and Tropical Sunshine Products Limited, 240 bags as at 22nd July, 2026 (*annex 23*).
18. In a letter Ref: KRA/I&E/2/1/(342)26 date 18th February 2026 (*annex 24*), KRA recommended the execution of a security bond in form of bank guarantee or insurance bond, equivalent to the assessed additional taxes of Kshs. 2,983,118,000 as provided under section 107 of the EACCMA, 2004. The validity period of the bond was at least twelve (12) months renewable. The bond was to be in force until completion of the dispute resolution process and the entire consignment fully and properly accounted for in a manner that was outlined in the letter. KRA was however directed to clarify the

sugar as raw cane sugar which is a raw material for manufacture of white sugar and therefore not subject to the additional taxes that were being sought by KRA.

CHAPTER SIX

6.0 COMMITTEE RECOMMENDATIONS

6.1 Interim Report on the Inquiry

In a meeting held on Tuesday, 28th July 2026, the Committee resolved to table an interim report on the Inquiry to ensure that:

- a) the raw sugar is not diverted for human consumption while the Inquiry is ongoing;
- b) all taxes due on the raw sugar consignment are secured;
- c) provisions of the laws are adhered to; and
- d) importation and handling of raw sugar in Kenya is provided for in the legislative framework.

A detailed report on the Inquiry will be tabled in the House in due course.

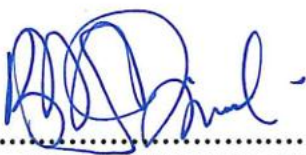
6.2 Committee Recommendations

From the above findings, the Committee recommends that:

1. The Cabinet Secretary, Ministry of Investments, Trade and Industry puts in place a team to verify the quantities of the raw sugar at the Port of Mombasa, NFT Autoport, Mombasa Sugar Refinery (both raw and refined) to ascertain that the quantities tally with what was imported within seven (7) days of adoption of this report by the National Assembly;
2. The National Assembly collects samples of the raw sugar from the Port of Mombasa, NFT Autoport, and MSRL (both raw and refined) for testing by an independent laboratory to ascertain the type of sugar that was imported;
3. The State Department for Industry establishes whether Mombasa Sugar Refinery Limited has the capacity to refine the 27,000 MT of the raw sugar and report to the Committee within seven (7) days of adoption of this report by the National Assembly;
4. The Cabinet Secretary, Ministry of Agriculture and Livestock Development gazettes the appointment of the Multi-Agency Team, with clear terms of reference, within fourteen (14) days of adoption of this Report;
5. Kenya Sugar Board submits to the Committee returns filed pursuant to the Guidelines on Control of Imported Raw Sugar for Refining for the last five (5) months, within seven (7) days of adoption of this Report by the National Assembly;
6. The Kenya Revenue Authority ensures that the raw sugar at the Port of Mombasa, the Nairobi Freight Terminus Autoport and Mombasa Sugar Refinery Limited is bonded until all taxes due on the sugar are fully paid.
7. The Cabinet Secretary, Ministry of Agriculture and Livestock Development develops regulations governing the importation of raw sugar and refining of industrial sugar, to guide the issuance of

import licenses for importation of raw sugar in Kenya within sixty (60) days of adoption of this Report by the National Assembly;

8. The Kenya Bureau of Standards conducts regular surveillance checks in the market to ensure that the raw sugar is not diverted for human consumption.
9. The Inspector General of Police should provide 24-hour security to the warehouses at the Port of Mombasa (shed 7 and 8), the Nairobi Freight Terminus (NFT) Autoport and at the MSRL Factory at Kibos where the raw sugar is stored to ensure that there is no diversion of the raw sugar for human consumption and until the bond is executed to secure taxes due on the sugar.

SIGNED.......... DATE 04/08/2026
HON. BENARD MASAKA SHINALI, CBS, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 AUG 2026	
DAY: <u>Tuesday</u>	
TABLED BY:	<u>Hon. Benard Shinali MP</u> <u>Chairperson</u>
CLERK-AT THE-TABLE:	<u>A. Shimbuko</u>



THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026

DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES

ADOPTION SCHEDULE

We, the undersigned Honorable Members of the Departmental Committee on Trade, Industry and Cooperatives today, **Tuesday, 28th July, 2026** do hereby affix our signatures to this **Interim Report on the Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited** to affirm our approval and confirm its accuracy, validity and authenticity:

S/NO.	NAME	SIGNATURE
1.	Hon. Benard Masaka Shinali, CBS, MP (Chairperson)	
2.	Hon. Marianne Jebet Kitany, MP (Vice-Chairperson)	
3.	Hon. Adhe Wario Guyo, MP	
4.	Hon. Anthony Tom Oluoch, MP	
5.	Hon. (Dr.) Beatrice Kahai Adagala, MP	
6.	Hon. Joshua Mbithi Mutua Mwalyo, MP	
7.	Hon. Joyce Kamene, MP	
8.	Hon. Robert Githinji Gichimu, MP	
9.	Hon. (Dr.) Wilberforce Ojiambo Oundo, MP	
10.	Hon. Adams Korir Kipsanai, MP	
11.	Hon. Alfred Kiprono Mutai, MP	
12.	Hon. Amos Maina Mwago, MP	
13.	Hon. John Okano Bwire, MP	
14.	Hon. Samuel Sakimba Parashina, MP	
15.	Hon. Michael Wainaina Wambugu, MP	



**THIRTEENTH PARLIAMENT - FIFTH SESSION - 2026
DIRECTORATE OF DEPARTMENTAL COMMITTEES**

**MINUTES OF THE 50TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
TRADE, INDUSTRY AND COOPERATIVES HELD ON TUESDAY, 28TH JULY
2026 IN COMMITTEE ROOM 12, NEW WING, MAIN PARLIAMENT BUILDING
AT 10.00 A.M.**

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Benard Masaka Shinali, CBS, MP | - | Chairperson |
| 2. Hon. Marianne Jebet Kitany, MP | - | Vice-Chairperson |
| 3. Hon. Anthony Tom Oluoch, MP | | |
| 4. Hon. (Dr) Beatrice Kahai Adagala, MP | | |
| 5. Hon. Joshua Mbithi Mwalyo, MP | | |
| 6. Hon. Joyce Kamene, MP | | |
| 7. Hon. Robert Githinji Gichimu, MP | | |
| 8. Hon. (Dr.) Wilberforce Ojiambo Oundo, MP | | |
| 9. Hon. Adams Korir Kipsanai, MP | | |
| 10. Hon. Michael Wainaina Wambugu, MP | | |

ABSENT WITH APOLOGY

1. Hon. Adhe Wario Guyo, MP
2. Hon. Alfred Kipronoh Mutai, MP
3. Hon. Amos Maina Mwago, MP
4. Hon. John Okano Bwire, MP
5. Hon. Samuel Parashina, MP

IN ATTENDANCE

A. COMMITTEE SECRETARIAT

- | | | |
|--------------------------|---|---------------------------------------|
| 1. Ms. Laureen Wesonga | - | Clerk Assistant I |
| 2. Ms. Carolyn Musyoka | - | Hansard Reporter II (Clerk Assistant) |
| 3. Mr. Peter Barasa | - | Legal Counsel I |
| 4. Ms. Pauline Sifuma | - | Hansard Reporter II |
| 5. Ms. Priscilla Saidi | - | Research Officer III |
| 6. Mr. Ambrose Nguti | - | Media Relations Officer III |
| 7. Ms. Margaret Wainaina | - | Protocol Officer III |
| 8. Mr. Kelvin Lengasi | - | Audio Assistant II |
| 9. Ms. Peris Kaburi | - | Assistant Serjeant-at-Arms II |
| 10. Mr. Victor Irimu | - | Attaché (Departmental Committees) |
| 11. Mr. Ian Mandela | - | Attaché (Department of Research) |

B. KENYA BUREAU OF STANDARDS (KEBS)

- | | | |
|--------------------------|---|--|
| 1. Ms. Esther Ngari, EBS | - | Managing Director |
| 2. Mr. Geoffrey Muriira | - | Director, Quality Assurance and Inspection |
| 3. Mr. Luise Rasanga | - | Ag. Director Legal Services |
| 4. Ms. Mercy Kandie | - | Manager, Corporate Communications |
| 5. Ms. Hilda Keror | - | Manager, Inspection |
| 6. Mr. Amwayi William | - | Technical Assistant |
| 7. Ms. Rachael Mokua | - | Personal Assistant |

C. KENYA REVENUE AUTHORITY (KRA)

- | | | |
|------------------------|---|--|
| 1. Dr. Lilian Nyawanda | - | Commissioner, Customs and Border Control |
| 2. Mr. George Aduwi | - | Deputy Commissioner, Customs |
| 3. Ms. Faith Kiara | - | Chief Manager, Investigations |
| 4. Mr. Andrew Sengwa | - | Senior Officer, Investigations |
| 5. Mr. Paul Agonde | - | Senior Officer, Public Relations |
| 6. Ms. Hannah Gitukia | - | Officer, Citizen relations |
| 7. Ms. May Muthama | - | Officer, Citizen relations |

AGENDA

1. Prayer
2. Preliminaries/Adoption of the Agenda
3. Confirmation of Minutes
4. Matters Arising
6. **Meeting with the following agencies to discuss the Importation of Raw Sugar by Mombasa Sugar Refinery Limited**
 - a) **The Ministry of Investments, Trade and Industry;**
 - b) **The Ministry of Agriculture and Livestock Development;**
 - c) **The Managing Director, Kenya Bureau of Standards; and**
 - d) **The Kenya Revenue Authority**
7. **Adoption of the Interim Report on the Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited**
8. Any other Business
9. Adjournment/Date of the Next Sitting.

MIN. NO. NA/DDC/TIC/2026/216: PRELIMINARIES/ADOPTION OF THE AGENDA

The meeting was called to order at twenty-seven minutes past ten O'clock with prayer by Hon. (Dr) Beatrice Kahai Adagala, MP.

The agenda of the meeting was adopted, having been proposed by Hon. Robert Githinji Gichimu, MP and seconded by Hon. (Dr) Beatrice Kahai Adagala, MP.

The Chairperson informed Members that the following letters had been received by the Committee:

1. A letter from the Cabinet Secretary, Ministry of Investments, Trade and Industry, informing the Committee that he was not able to attend the meeting because he was out of the country on official duty. He requested the Committee to reschedule the meeting.

A letter from the Principal Secretary, State Department for Agriculture informing the Committee that he would be unable to attend the meeting due to a prior engagement with the Deputy President.

MIN. NO. NA/DDC/TIC/2026/217: CONFIRMATION OF MINUTES

This agenda item was deferred.

MIN.NO.NA/DDC/TIC/2026/218: MEETING WITH THE KENYA BUREAU OF STANDARDS TO DISCUSS THE IMPORTATION OF RAW SUGAR BY MSRL

The Chairperson directed the Serjeant-at-Arms to usher officials from the KEBS into the meeting before requesting everyone present in the meeting to introduce themselves. The Chairperson then invited Ms. Esther Ngari to present the Bureau's report.

Ms. Esther Ngari, Managing Director KEBS submitted as follows on the importation of raw sugar by MSRL:

1. The applicable standard for imported raw cane sugar is KS EAS 8:2021 – Raw Sugar Specification, which prescribes the quality requirements for raw cane sugar intended for further industrial processing and refining.
2. KEBS undertook conformity verification before the raw sugar consignment was released to the importer in accordance with the Standards Act, Cap. 496 and applicable import inspection procedures.
3. Prior to shipment to Kenya, the consignment underwent inspection and testing under the Pre-Export Verification of Conformity (PVoC) Programme in the country of export by a KEBS-appointed inspection contractor. The importer submitted Certificate of Conformity (CoC) No. C25ATNIM000211336/001 dated 24th December 2025, and Certificate of Analysis (CoA) No. 202500216905 issued by SGS. The documents demonstrated compliance with the requirements of the PVoC Programme.
4. KEBS is a member of the Multi-Agency Team (MAT), which established conditions governing the movement, custody, monitoring and utilisation of the imported raw sugar to ensure that the consignment was not diverted into the retail market before undergoing refining. KEBS considered several factors in selecting officers to the MAT, including their technical competence and professional qualifications, expertise in food quality and safety, relevance to the assignment, alignment with KEBS' statutory mandate, institutional representation requirements, and operational and administrative considerations.

Members Deliberations/Observations

1. The representatives of KEBS in the MAT are Ms. Hilda Keror, Manager, Inspection, and Dr. Boniface Mbithi, Manager, Quality Assurance. The following officers were later added to the team: Mr. Samson Matich, Mr. Victor Oyuga, Ms. Hellen Musyoka and Mr. Victor Otieno. The MAT officers were not gazetted. The assignment was done administratively and their mandate restricted to the role of KEBS.
2. The consignment of raw sugar imported by MSRL was from South Africa. MSRL had initially been granted duty remission to import raw sugar from Brazil but was unable to get the sugar from Brazil and instead imported it from South Africa. The meeting held at the National Treasury on 23rd February 2026 was discussing the sugar from South Africa.
3. Samples of the refined white sugar processed by MSRL were collected and analysed, and upon satisfying the applicable Kenyan Standards, KEBS issued Standardisation Mark (S-

Mark) Certificate No. 7B239 on 13th July 2026, with the trade name Star Sugar Simply Superior.

4. Pursuant to Section 25(3)(b) of the Standards Act, the primary mandate of KEBS is to develop and enforce standards, while several regulatory responsibilities relating to the sugar industry have been assigned to the Kenya Sugar Board (KSB). The MD briefed the Committee on the requirements contained in the Kenya Standard for Raw Cane Sugar – Specification (KS EAS Standard).
5. SGS was contracted by KEBS to conduct PVoC tests on the raw sugar consignment before it was shipped to Kenya. KEBS was satisfied with the results submitted by SGS. Inspection can be done on a consignment after arrival in Kenya depending on the consignment. Majority of time KEBS relies on the CoC submitted by the company they contract. There was no need to do another test on the raw sugar consignment because it was a raw material and tests would be done on the refined sugar.
6. SGS was operating on a three-year contract when they inspected the raw sugar consignment in 2025. KEBS gets subcontractors to ensure that goods are released efficiently to facilitate trade. KEBS usually conducts market surveillance for final products.
7. The origin of the raw sugar consignment is South Africa as shown in the Certificate of Conformity, Certificate of Analysis, and Certificate of Origin issued by the Durban Chamber of Commerce. The sampling of the raw sugar had been undertaken at the Durban Port Terminal in South Africa before shipment.
8. The Committee was informed that as at 21st July 2026, MSRL had processed 28,928 bags of refined sugar out of which 805 bags had been sold.
9. Members requested KEBS to provide the laboratory test results for each batch of refined sugar. In response, the MD stated that KEBS does not conduct tests on every batch of refined sugar. Instead, the Authority undertakes periodic testing of the refined sugar produced by the factory.
10. On the date of manufacture and expiry of the raw sugar, the Managing Director explained that the crop year for the raw sugar was April 2025 to March 2026. She stated that raw sugar has a shelf life of three years, and consequently, the consignment was expected to expire in April 2028. She further explained that imported raw sugar must have at least three-quarters of its shelf life remaining at the time of importation.
11. On how often KEBS' laboratory findings differ from those of KRA, the MD explained that the two institutions conduct tests for different purposes. While KEBS analyses products to determine compliance with Kenyan standards, KRA undertakes laboratory analysis primarily for customs classification and taxation purposes. She noted that this was the first instance in which the findings of the two institutions had differed.
12. Regarding the Certificate of Analysis, the Managing Director informed the Committee that the polarisation result was 98.75, against the minimum specification of 94.99. She explained that both KEBS and SGS used the ICUMSA (International Commission for Uniform Methods of Sugar Analysis) methods, which are internationally recognised analytical procedures for sugar testing, and therefore the testing methodologies applied by both institutions were consistent.
13. KEBS was requested to submit the following documents within seven (7) days:
 - a) The draft Certificate of Analysis that was prepared by SGS that was subsequently cancelled;
 - b) The applicable Kenyan Standard for Refined White Sugar;
 - c) The Certificate of Origin for the imported raw sugar consignment;
 - d) All laboratory test results relating to the sugar refined by MSRL; and
 - e) List of purchasers of the 805 bags of refined sugar.

The Chairperson directed the Serjeant-at-Arms to usher officials from the KRA into the meeting before requesting everyone present in the meeting to introduce themselves. He then welcomed the Commissioner, Customs and Border Control to submit documents that had been requested for in the meeting held on Thursday, 16th July 2026.

Dr. Lilian Nyawanda submitted the following documents to the Committee:

1. Letter from the National Treasury, Ref. TNT/MFAD/IDE/08 (7) dated 3rd March 2026;
2. SGS Pre-Export Verification of Conformity/Certificate of Conformity No. C-25ATNIM000211336/001;
3. SGS Certificate of Analysis No. 202500516905;
4. KS EAS 8:2021, Raw Sugar – Specification;
5. Certificate of Origin No. DB-25-296342;
6. Multi-Agency Team guidelines for the release and monitoring of the MSRL sugar import; and
7. Letter from the National Treasury, Ref. TNT/ZZ/TS/GP/30/2025 (15) dated 17th June 2025.

Members Deliberations

1. On why KRA and KEBS had arrived at different laboratory findings despite both institutions applying the same Standards and analytical methods in testing the sugar, Dr. Nyawanda explained that its laboratory analysis had identified concerns relating to the colouration parameter of the sugar, which necessitated further testing to validate the initial results. The findings of the Authority were based on the outcome of its laboratory analysis.
2. On the identity of the manufacturer of the raw sugar imported from South Africa, Dr. Nyawanda stated that its role in the importation process was limited to administering the duty remission framework and verifying compliance with customs requirements based on the documentation submitted by the importer. The Authority relied on the Certificate of Origin and other supporting importation documents to establish the declared country of origin of the consignment. The Certificate of Origin confirms the country from which the goods originate, it does not identify the manufacturer. Consequently, she was not in a position to independently confirm the actual manufacturer of the sugar.
3. On whether KRA had undertaken further verification to establish the actual source or manufacturer of the sugar, Dr. Nyawanda explained that there was no preferential tax rate for the manufacturer of the raw sugar thus KRA had no reason to find out who the manufacturer of the raw sugar was.
4. On the rejection of the sugar from Brazil, Dr. Nyawanda informed the meeting that she was not aware of the rejection of the sugar.
5. KRA had given a requirement in February 2026 that the raw sugar consignment would be released under a bond under certain conditions. In the meeting held at the National Treasury on 23rd February 2026, MSRL indicated that the bond was too expensive. The same was discussed in the meeting and KRA requested to waive the bond to facilitate the process. The Commissioner General deemed it important to safeguard the consignment through the guidelines that would be developed by the MAT.
6. KRA was requested to submit the following documents by Friday, 31st July 2026:
 - a) Copies of reports detailing:

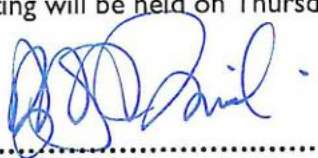
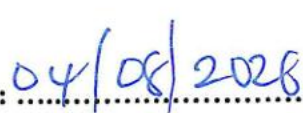
- i. The estimated duration of the production process of the entire consignment;
 - ii. Quantity of raw sugar transferred from storage to processing per day;
 - iii. Quantity of white refined sugar produced per day;
 - iv. Quantity of by-products generated per day;
 - v. Process losses or wastage per day with explanation;
 - vi. Duration of the production process per day;
 - vii. Opening and closing stock of raw sugar;
 - viii. Quantity of raw sugar processed; and
 - ix. Quantity of white sugar sold (with invoice number, buyer identity name, PIN and price)
- b) Copy of the bond initially issued to MSRL by KRA and the conditions attached to it; and
 - c) Minutes of the meeting where the bond initially issued by KRA to MSRL was waived by the Commissioner General.

MIN. NO. NA/DDC/TIC/2026/220: ADOPTION OF THE INTERIM REPORT ON THE INQUIRY INTO THE IMPORTATION OF RAW SUGAR BY MSRL

The Interim Report on the Inquiry into the Importation of Raw Sugar by Mombasa Sugar Refinery Limited was adopted having been proposed by Hon. Robert Githinji Gichimu, MP and seconded by Hon. Marianne Jebet Kitany, MP.

MIN. NO. NA/DDC/TIC/2026/221: ADJOURNMENT/DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at ten minutes past two O'clock. The next meeting will be held on Thursday, 30th July 2026 at ten O'clock.

SIGNED:  DATE: 
HON. BENARD MASAKA SHINALI, CBS, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON TRADE, INDUSTRY AND COOPERATIVES



SOUTH AFRICAN SUGAR TERMINAL
25 Leuchars Road, Durban, 4001
P.O. Box 61104, Bishopsgate, 4008
Telephone: +27 313658100
Facsimile: +27 31 301 13 13
Website: www.sasa.org.za

PHYTOSANITARY CERTIFICATE

NAME OF VESSEL: MV AGIA VALENTINA
BILL OF LADING AND DATE: B/L NO. 1 DATED 18.12.2025
QUANTITY: 27,839.000 METRIC TONS
ORIGIN: SOUTH AFRICAN
PACKING: IN BULK
DESCRIPTION OF GOODS: 27,839.000 MT SOUTH AFRICAN RAW CANE SUGAR
IN BULK
PORT OF LOADING: DURBAN, SOUTH AFRICA.
PORT OF DISCHARGE: MOMBASA, KENYA

WE, THE SOUTH AFRICAN SUGAR ASSOCIATION, AS SHIPPERS HEREBY CERTIFY
THAT THE SUGAR LOADED ON VESSEL MV AGIA VALENTINA CONFINES TO THE SANITARY
NORMS AND IS FIT FOR ITS INTENDED PURPOSE OF REFINING FOR HUMAN CONSUMPTION.

22 December 2025

Tejh Dhillraj

Export Accounting Officer


FOR AND ON BEHALF OF
SOUTH AFRICAN SUGAR ASSOCIATION



SOUTH AFRICAN SUGAR TERMINAL
 25 Leuchars Road, Durban, 4001
 P.O. Box 61104, Bishopsgate, 4008
 Telephone: +27 313658100
 Facsimile: +27 31 301 13 13
 Website: www.sasa.org.za

INDUSTRIAL SUGAR HEALTH CERTIFICATE

SHIPPER: THE SOUTH AFRICAN SUGAR ASSOCIATION
 KWA-SHUKELA, 170 FLANDERS DRIVE
 MOUNT EDGECOMBE
 P.O. BOX 700, MOUNT EDGECOMBE
 KWA-ZULU NATAL 4300

VESSEL: M/V AGIA VALENTINA

PORT OF LOADING: DURBAN, SOUTH AFRICA

PORT OF DISCHARGE: MOMBASA, KENYA

BILL OF LADING AND DATE: B/L NO. 1 DATED: 18.12.2025

DESCRIPTION OF GOODS: 27, 839.000 MT SOUTH AFRICAN RAW CANE SUGAR IN
 BULK – HS CODE 17011390

ORIGIN: SOUTH AFRICA

PACKING: IN BULK

NET/GROSS WEIGHT: 27,839.000 METRIC TONS

WE, THE SOUTH AFRICAN SUGAR ASSOCIATION, AS MANUFACTURER, HEREBY CERTIFY THAT THE RAW CANE SUGAR LOADED DOES NOT CONTAIN HARMFUL SUBSTANCES. THE SUPPLIED SUGAR IS INTENDED FOR INDUSTRIAL PROCESSING AND FIT FOR HUMAN CONSUMPTION. THE INTENDED USE OF THE SUGAR IS FOR INDUSTRIAL PROCESSING ONLY, NOT FOR DIRECT RETAIL CONSUMPTION.

22 December 2025

Tejh Dhillraj

Export Accounting Officer

**FOR AND ON BEHALF OF
 SOUTH AFRICAN SUGAR ASSOCIATION**



SOUTH AFRICAN SUGAR TERMINAL
 25 Leuchars Road, Durban, 4001
 P.O. Box 61104, Bishopsgate, 4008
 Telephone: +27 313658100
 Facsimile: +27 31 301 13 13
 Website: www.sasa.org.za

CERTIFICATE OF NON-RADIOACTIVITY

NAME OF VESSEL:	MV AGIA VALENTINA
BILL OF LADING AND DATE:	B/L NO. 1 DATED 18.12.2025
QUANTITY:	27,839.000 METRIC TONS
ORIGIN:	SOUTH AFRICAN
PACKING:	IN BULK
DESCRIPTION OF GOODS:	SOUTH AFRICAN ORIGIN RAW CANE SUGAR IN BULK
PORT OF LOADING:	DURBAN, SOUTH AFRICA.
PORT OF DISCHARGE:	MOMBASA, KENYA

WE, THE SOUTH AFRICAN SUGAR ASSOCIATION, HEREBY CERTIFY THAT THE RADIATION IF ANY MEETS INTERNATIONALLY ACCEPTABLE LIMITS AND IS SAFE FOR INDUSTRIAL PROCESSING

22 December 2025

Tejh Dhillraj

Export Accounting Officer

**FOR AND ON BEHALF OF
 SOUTH AFRICAN SUGAR ASSOCIATION**



SOUTH AFRICAN SUGAR TERMINAL
 25 Leuchars Road, Durban, 4001
 P.O. Box 61104, Bishopsgate, 4008
 Telephone: +27 313658100
 Facsimile: +27 31 301 13 13
 Website: www.sasa.org.za

MANUFACTURER'S CERTIFICATE

SHIPPER	THE SOUTH AFRICAN SUGAR ASSOCIATION KWA-SHUKELA, 170 FLANDERS DRIVE MOUNT EDGECOMBE P.O. BOX 700, MOUNT EDGECOMBE KWA-ZULU NATAL 4300
DESCRIPTION OF GOODS:	27,839.000 MT SOUTH AFRICAN RAW CANE SUGAR IN BULK
NET WEIGHT:	27,839.000 MT
NAME OF VESSEL:	MV AGIA VALENTINA
BILL OF LADING AND DATE:	B/L NO. 1 DATED: 18.12.2025
PORT OF LOADING:	DURBAN, SOUTH AFRICA
PORT OF DISCHARGE:	MOMBASA, KENYA
PRODUCTION DATE:	APRIL – DECEMBER 2025
EXPIRY DATE:	APRIL 2028
CROP YEAR:	2025/2026 (APRIL 2025 – MARCH 2026)

WE, THE SOUTH AFRICAN SUGAR ASSOCIATION, HEREBY CERTIFY
 THAT THE SUGAR SAMPLE CONFINES TO THE SANITARY NORMS AND IS FIT FOR ITS
 INTENDED PURPOSE OF REFINING FOR HUMAN CONSUMPTION

22 December 2025

Tejh Dhillraj

Export Accounting Officer

FOR AND ON BEHALF OF
 SOUTH AFRICAN SUGAR ASSOCIATION



SOUTH AFRICAN SUGAR TERMINAL
25 Leuchars Road, Durban, 4001
P.O. Box 61104, Bishopsgate, 4008
Telephone: +27 313658100
Facsimile: +27 31 301 13 13
Website: www.sasa.org.za

NON – GMO CERTIFICATE

SHIPPER: THE SOUTH AFRICAN SUGAR ASSOCIATION
KWA-SHUKELA, 170 FLANDERS DRIVE
MOUNT EDGECOMBE
P.O. BOX 700, MOUNT EDGECOMBE
KWA-ZULU NATAL 4300

NAME OF VESSEL: MV AGIA VALENTINA

DESCRIPTION OF GOODS: 27, 839.000 MT SOUTH AFRICAN RAW CANE SUGAR IN BULK

PORT OF LOADING: DURBAN, SOUTH AFRICA

PORT OF DISCHARGE: MOMBASA, KENYA

BILL OF LADING NO. AND DATE: B/L NO. 1 DATED: 18.12.25

WE, THE SOUTH AFRICAN SUGAR ASSOCIATION, AS PRODUCER OF THE GOODS, HEREBY CERTIFY THAT THE RAW SUGAR HAS BEEN OBTAINED FROM SUGAR CANE VARIETIES DEVELOPED BY THE TRADITIONAL PLANT BREEDING METHOD OF HYBRIDIZATION AND SELECTION, NEITHER THE SUGAR CANE BREEDING PROGRAMME NOR THE CANE GROWING SYSTEM, NOR THE FACTORY EXTRACTION PROCESS, INVOLVED ANY PROCESS OF GENETIC MODIFICATION OR TRANSGENESIS.

22 December 2025

Tejh Dhillraj

Export Accounting Officer.


FOR AND ON BEHALF OF
SOUTH AFRICAN SUGAR ASSOCIATION



**KENYA PLANT HEALTH INSPECTORATE SERVICE (KEPHIS)
HEADQUARTERS - Ololua Ridge, Karen**

P. O. Box 49592 00100 GPO Nairobi, Kenya, Tel: 0206618000/0709891000 E-mail:director@kephis.org
Website: www.kephis.org

Our Ref: KEPHIS/HQ/4/19 Vol.58/249

9th June, 2026

Clerk of the National Assembly

P O BOX 41842-00100

Main Parliament Buildings

NAIROBI

Email: cna@parliament.go.ke, laureenwesonga21@gmail.com

Dear Sir,

RE: IMPORTATION OF RAW SUGAR INTO THE COUNTRY

Reference is made to your letter Ref; NA/DDC/TIC/2026/041 dated 4th June 2026 on the importation of raw sugar into the country.

KEPHIS has evaluated the letter and would like to provide the following clarification; KEPHIS does not issue phytosanitary certificate and plant import permit for importation of processed sugar (both refined and raw sugar) as there are no phytosanitary risks associated with importation of sugar into the Country.

However, KEPHIS issues plant import permit for importation of raw sugarcane for processing since raw sugarcane has the risk of introduction of harmful pest of sugarcane. Imported sugarcane is inspected for freedom from pest and is only used for processing. KEPHIS also issues plant import permit for importation of sugarcane seed under quarantine regulation for research and breeding.

Finally, we wish to confirm that KEPHIS did not undertake any analysis for the raw sugar that was imported by Mombasa Sugar Refinery Ltd.

Yours sincerely,

**PROF. THEOPHILUS M. MUTUI, PHD
MANAGING DIRECTOR**

Legal Notice No. EAC/92/2025

EAST AFRICAN COMMUNITY GAZETTE

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (DUTY REMISSION) REGULATIONS, 2008

APPROVED DUTY REMISSION FOR MANUFACTURER AND QUANTITIES OF RAW SUGAR FOR INDUSTRIAL USE FOR MANUFACTURE OF REFINED WHITE SUGAR (FOOD AND PHARMACEUTICAL GRADE) TO BE IMPORTED FOR TWELVE (12) MONTHS FOR KENYA

(Pursuant to Section 140 of the East African Community Customs Management Act 2004 and Regulations 3 and 6 of the East African Community Customs Management (Duty Remission) Regulations, 2008)

LEGAL NOTICE

IN EXERCISE of the powers conferred upon the Council of Ministers by Section 140 of the East African Community Customs Management Act 2004 and Regulations 3 and 6 of the East African Community Customs Management (Duty Remission) Regulations, 2008, the Council of Ministers issues this Notice.

A remission of import duty is approved for Kenya for the following manufacturer on the specified quantities of raw sugar for industrial use for manufacture of refined white sugar (food and pharmaceutical grade) to apply a duty rate of ten per centum (10%) for twelve (12) months.

S/N	Company Name	HS Code	Description	Quantity Allocated in Metric Tons (MT)	Finished Product
1	Mombasa Sugar Refinery Limited	1701.14.90	Raw sugar (for industrial use)	165,000	Refined white sugar, both food grade and pharmaceutical grade

HON. BEATRICE ASKUL MOE
Chairperson Council of Ministers

Remission



Permit Number: AFA/SD/IMPEXP/102988

IMPORT PERMIT

Issued to MOMBASA SUGAR REFINERY LIMITED registration number 1003041

This Permit is valid from 01/Jul/2025 To 30/Jun/2026

In respect of—

a.	Exporter	Brown sugar	
		White refined	
		Molasses	
		Jaggery	
		Raw Sugar	
b.	Importer	Brown sugar	
		White refined	
		By-product of	
		Molasses	
		Jaggery	
		Raw Sugar	✓

Kindly note:

1. The holder of this Permit shall submit their returns monthly without fail.
2. This Permit is not transferrable.
3. The holder of this Permit shall apply for a pre-shipment permit, and a release order, in respect of each consignment.

CEO - KENYA SUGAR BOARD

Date of issue: **July 01, 2025**



**Kenya Sugar Board***More Sugar for Prosperity***KENYA SUGAR BOARD****REF: KSB/SD/LOI/1006755**

Managing Director

MOMBASA SUGAR REFINERY LIMITED

Post office Box 3115 - 40100

KISUMU

Dear Sir/Madam

RE: PRE-SHIPMENT APPROVAL LETTER

You are hereby authorized to proceed with the importation process and apply for consignment import permit on KENTRADE portal within 45 (Forty-Five) days from the date of this letter.

Please attach the following documents to accompany your consignment import permit application:

- 1) A pre-shipment approval letter from the Board;
- 2) The dated Bill of Lading and Imports Declaration Form, for the consignment;
- 3) The customs entry documents for the consignment;
- 4) The invoice and proof of payment for the consignment from the importer;
- 5) The certificate of origin of the consignment;
- 6) The certificate of conformity in respect of the consignment.

CEO - KENYA SUGAR BOARD

Date of Issue: 18/Dec/2025

Date of Expiry: 01/Feb/2026



DATE: 17/01/2026

K R A T A X P A Y M E N T
F U N D S T R A N S F E R

KCB KISUMU

DEBIT ACCOUNT DETAILS:

A/C NO : 1209709384

A/C REF: 1209709384

MOMBASA SUGAR REFINERY LIMITED

We have debited your Account with TAX payment of: * KES 186,853,618.00

Kenya Shillings ONE HUNDRED AND EIGHTY SIX MILLION EIGHT HUNDRED AND
FIFTY THREE THOUSAND SIX HUNDRED AND EIGHTEEN ONLY

TAX DETAILS:

KRA Eslip Number: 1020260000067360

Tax Payer name : MOMBASA SUGAR REFINERY LIMITED

TAX Payer PIN : P051371149U

Credit account : 1108976298

Payment Details : 1020260000067360-MOMBASA SUGAR REFI

Signature : -----

Transaction Number: FT2601749D9Y at 11:10:48 On 17/01/2026
Thank you for banking with us. You were served by: CHITELI NEFA

*** Advice not valid unless Transaction Number is shown ***





KENYA REVENUE
AUTHORITY

Payment Slip

For General Tax Questions
Contact KRA Call Centre
Tel: +254 (020) 4999 999
Cell: +254(0711)099 999
Email: callcentre@kra.go.ke



www.kra.go.ke

Taxpayer: P0513711490

Taxpayer Name: MOMBASA SUGAR REFINERY LIMITED

Payer:

Issuing Date: 16/01/2026

Ref. Number: 1020260000067360

Issuing Station: MOMBASA

Document Reference: 25MBAIM408328582

Expiry Date: 16/01/2033

Currency: KES Kenyan shilling

AP 2618929

Payment Details

Sr.No.	Tax Type	Liability Type	Amount
1	1002 Import Duty	TXDT Tax/duty	161,080,706.00
2	1202 Vat Imports	TXDT Tax/duty	25,772,912.00
Total Amount to be Paid			186,853,618.00

Total Amount in words: One hundred and eighty six million eight hundred and fifty three thousand six hundred and eighteen.

(To be filled by Taxpayer during payment at bank)

CHEQUES ONLY	
Total Cheque Amount	

CASH ONLY	
Total Cash Amount (KES)	

BANK STAMP AND ENDORSEMENT

Total Amount Paid	
-------------------	--

Paid in by		Contact Number	
Date		Signature	

Search Code	1020260000067360 (Use this number to query the status of your Payment Slip)
-------------	---

Disclaimer	This Slip shall remain valid until 16/01/2033 Where payment is not made by this date, you will be required to generate a new Slip. The validity date is not a Tax due date.
------------	---

Partner Banks	You can make payment at the below mentioned authorized banks; ABC,BOI,Bank of Africa,Bank of Baroda,Barclays,CBA,Chase,Citibank,Co-op Bank,Consolidated,Credit,DTB,Development,Eco Bank,Equity,Family,First Community,GT Bank,Giro,Guardian,Gulf African,Habib AG Zurich,I&M,KCB,Middle East,NBK,NIC,Oriental Commercial,Paramount,PostBank,Prime,SBM,Sidian,Spire,Stanbic,Standard Chartered,Trans-National,UBA,Victoria
---------------	--



DATE: 15/01/2026

K R A T A X P A Y M E N T
F U N D S T R A N S F E R

KCB KISUMU

DEBIT ACCOUNT DETAILS:
A/C NO : 1209709384
A/C REF: 1209709384
MOMBASA SUGAR REFINERY LIMITED

We have debited your Account with TAX payment of: * KES 323,957,168.00
=====

Kenya Shillings THREE HUNDRED AND TWENTY THREE MILLION NINE HUNDRED AND
FIFTY SEVEN THOUSAND ONE HUNDRED AND SIXTY EIGHT ONLY

TAX DETAILS:

KRA Eslip Number: 1020260000058786
Tax Payer name : MOMBASA SUGAR REFINERY LIMITED
TAX Payer PIN : P051371149U
Credit account : 1108976298
Payment Details : 1020260000058786-MOMBASA SUGAR REFI

Signature : -----

Transaction Number: FT26015RPJBW at 15:04:02 On 15/01/2026
Thank you for banking with us. You were served by: MILLICENT WEKESA

*** Advice not valid unless Transaction Number is shown ***





KENYA REVENUE
AUTHORITY

PUBLIC

ISO 9001:2015 CERTIFIED

INVESTIGATIONS AND ENFORCEMENT DEPARTMENT

REF: KRA/I&E/SR/GEF/003/2016

22nd January, 2026

Mombasa Sugar Refinery Limited
PIN: P051371149U,
P.O. Box 3115 - 40100,
Nairobi.

Dear Sir/Madam,

**DEMAND FOR TAXES UNDER: SECTION 135 OF THE EAST AFRICA
COMMUNITY CUSTOMS MANAGEMENT ACT, (EACCMA) 2004**

We refer to the investigations that has been conducted on your imported sugar declared under entry number 25MBAIM408328582.

Following the verification done on your consignments, review of documents and collection of samples from different holds of the vessel, the investigations findings established that the imported consignment is cane, brown sugar classified in East African Community (EAC) Common External Tariff (CET) HS Code 1701.99.90

The value of the goods had been understated hence not all taxes due were paid. The established extra taxes payable upon revaluation of your consignment are as tabulated below;

1.0 SUMMARY OF INVESTIGATION FINDINGS

Misdeclaration and under valuation of the imported goods - It was established that the imported goods were cane brown sugar contrary to the declaration of raw cane sugar. In addition, it was established that the declared values of USD 4129/MT were low compared to similar importation. The goods were therefore revalued as stipulated under Section 122 of EACCMA, 2004 as read with the Fourth Schedule, part 1 and paragraph 4 of EACCMA, 2004.

2.0 SUMMARY & ANALYSIS OF TAXES DUE & PAYABLE

The total taxes due and payable have been assessed as tabulated below;

TAX BASE & RATE	TAXES PAYABLE	PAID	DUE
ID - 100% or USD 460/MT	2,313,120,093	161,080,706	2,152,039,387
EXCISE - KSHS 7.5/KG	208,792,500	-	208,792,500
VAT - 16%	773,605,229.91	283,502,042	490,103,188
IDT - 2.5%	57,828,002	-	57,828,002
RDI - 2%	46,262,402	-	46,262,402

Tulipe Ushuru, Tujitegemee!





KENYA REVENUE
AUTHORITY

PUBLIC

ISO 9001:2015 CERTIFIED

SDL 4%	92,524,804	64,432,283	28,092,521
MSS	1,795,755	1,795,755	-
TAXES DUE	3,493,928,786	510,810,786	2,983,118,000

Pursuant to Section 133 of the EACCMA, 2004, you are hereby required to pay total taxes due of Kshs. 2,983,118,000 for the subject entry immediately in order to avoid further accrual of penalties and interest as stipulated by Section 249 of the EACCMA, 2004. Fines shall be determined and paid at the time of case settlement.

Please, take note that misdeclaration and undervaluation of imported goods is a Customs offence chargeable under Section 203 of the EACCMA 2004

3.0 CASE SETTLEMENT PROCEDURES

You may institute case and tax settlement procedures by requesting for compounding of the case under Section 219 of the EACCMA, 2004

In case you do not agree to part or any of the findings of this demand letter, you may exercise your rights through any of the following options;

- a) Lodge an appeal for review under Section 229 of the EACCMA, 2004. In your appeal, please ensure that;
 - i. The grounds of objection, the amendments required to be made to correct the decision, and the reasons for the amendments have been stated and attached.
 - ii. In relation to an objection to the assessment, ensure that the entire principal amount of tax (if any) due that is not in dispute has been paid.
- b) Pay taxes under protest as provided for under Section 229(6) of the EACCMA, 2004.
- c) Seek redress in the Tax Appeals Tribunal as provided for under Section 230 of the EACCMA, 2004.

NB: These findings/tax computations are on interim basis. Take note that in case of any further information received after this investigation touching on the same entry/period, we shall not hesitate to reopen the investigation.

Yours Faithfully,

J. Ekadah

For: COMMISSIONER INVESTIGATION AND ENFORCEMENT

c.c: Alcordia Logistics Limited

Tulipe Ushuru, Tujitegemee!





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CERTIFICATE OF ANALYSIS

Terminal	South African Sugar Terminal
Place of Sampling	Maydon Wharf 2, Maydon Wharf , Durban, South Africa

Pursuant to an order received from our Principal, requesting us to carry out instruction summarized as:

PRE SHIPMENT ANALYSIS;

On a consignment described as:

ORIGIN	SOUTH AFRICAN
DESCRIPTION OF GOODS	SOUTH AFRICAN CANE RAW SUGAR IN BULK
PACKING	IN BULK
STORAGE	SILO NUMBER 1
VESSEL ALLOCATED	MV AGIA VALENTINA

The following analysis was conducted on a presented sample:

1. QUALITY:

According to instructions received, a pre-shipment sample was collected from SASA which was analyzed by SGS Bulgaria Ltd. Laboratory Varna which reported the following results:

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
Polarization	°Z	ICUMSA GS1-1:2011	98.75
Reducing/invert sugar	Mg/kg	GS1-17:2013	7114
Sulphated ash	%	ICUMSA GS1-10:1998	0.1610
Insoluble mater(sediment)	Mg/kg	БЛМ 231:2024	105
Conductivity Ash at 20°C	%	ICUMSA GS1-13:1994	0.161
Moisture	%	ICUMSA GS2-15:2007	0.33
Color	IU7.0	ICUMSA GS1-7:2011	2128
Starch	µg/g	GS1-17:2013	<300

Heavy metals:

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
Arsenic	mg/kg	ICUMSA GS2-51:2017	<0.05
Copper	mg/kg	ICUMSA GS2-51:2017	<0.04
Mercury	mg/kg	ICUMSA GS2-51:2017	<0.02
Lead	mg/kg	ICUMSA GS2-51:2017	0.019
Iron	mg/kg	ICUMSA GS2-51:2017	2.93

Microbiology tests:

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
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β -Glucuronidase-positive Escherichia coli	cfu/25 g	ICUMSA GS2-52:2022	<1
Salmonella spp.	/25 g	BDS EN ISO 6579-1:2017	Not detected
Total plate count	cfu/10 g	ICUMSA GS2-41:2024	8.1×10^1
Yeasts and Moulds	cfu/10 g	ICUMSA GS2-41:2024	3.0×10^0
Yeasts	cfu/10 g	ICUMSA GS2-41:2024	<1
Moulds	cfu/10 g	ICUMSA GS2-47:2022	3.0×10^0
β -Galactosidase-positive coliform bacteria	cfu/25 g	ISO 4832	4.1×10^1
Coagulase-positive staphylococcus (incl. Staphylococcus aureus)	cfu/g	BDS EN ISO 6888-1:2022	<10

Pesticides:

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
Aldicarb	mg/kg	VLM146:2015	<0.010
Azoxystrobin	mg/kg	VLM146:2015	<0.010
Benzoviniflupyr	mg/kg	VLM146:2015	<0.010
Bicyclopyrone	mg/kg	VLM146:2015	<0.010
Chlorantaniliprole	mg/kg	VLM146:2015	<0.010
Clothianidin	mg/kg	VLM146:2015	<0.010
Cyhalothrin	mg/kg	VLM146:2015	<0.010
Cypermethrins (sum of gamma and lambda isomers (expr. as cyhalothrin))	mg/kg	VLM146:2015	<0.010
Ethoprophs	mg/kg	VLM146:2015	<0.010
Fluazifop-p-butyl	mg/kg	VLM146:2015	<0.010
Imazapic	mg/kg	VLM146:2015	<0.010
Isoxaflutole	mg/kg	VLM146:2015	<0.010
Mefentrifluconazole	mg/kg	VLM146:2015	<0.010
Mesotrione	mg/kg	VLM146:2015	<0.010
Metaflumizone	mg/kg	VLM146:2015	<0.010
Metconazole	mg/kg	VLM146:2015	<0.010



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Methoxyfenozide	mg/kg	VLM146:2015	<0.010
Novaluron	mg/kg	VLM146:2015	<0.010
Pendimethalin	mg/kg	VLM146:2015	<0.010
Propiconazole	mg/kg	VLM146:2015	<0.010
Pyraclostrobin	mg/kg	VLM146:2015	<0.010
Saflufenacil	mg/kg	VLM146:2015	<0.010
Tebufozide	mg/kg	VLM146:2015	<0.010
Teflubenzuron	mg/kg	VLM146:2015	<0.010
Trinexapac-ethyl	mg/kg	VLM146:2015	<0.010

SGS Laboratory test report number: VAR25-0017377-0001 A dated on the 09/12/2025.

According to instructions received, a sample was collected from SASA which was analyzed by Hearsaw and Kinnes Analytical Laboratory which reported the following results:

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
Glyphosate	mg/kg	DF03(GC-MS)	0.01
2,4-D	mg/kg	AH(LCMS)	0.01
Dicamba	mg/kg	DF03(GC-MS)	0.01

Hearsaw and Kinnes Analytical Laboratory test report number: 337016 dated on the 09/12/2025.

Sample outsourced by our Varna lab.

PARAMETERS	UNIT	TESTING METHOD	ACTUAL RESULTS
Fluensulfone	mg/kg	LC-MSMS	<0.01

Test report number: № 25/014761, dated 10/12/2025.

Samples are labelled and kept at our principal's disposal for at least a three-month period from date of delivery.

"The foregoing corresponds to our findings at the time and place of inspection and not at the time of loading."

"The findings of the stored goods inspection contained herein (the "Findings") strictly relate to and cover examination of part or parts of the goods safely accessible for inspection in accordance with the client's instructions. The Findings only relate to the time and place of inspection and do not constitute nor are intended to constitute evidence of the existence of part or all of the goods prior to and after the time of inspection. SGS does not control the storage place of the goods nor has any responsibility for the storage, custody and safety of the goods. SGS does not guarantee nor make any representation about i) the accuracy and authenticity of the documents presented by the operator of the storage place (if any); ii) ownership of and title to the goods; and iii) quantity and quality of the goods. SGS accepts no liability for the consequences of any action taken or not taken on the basis of this [CERTIFICATE]."



Certificate N°: 202500515782

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PLACE AND TIME OF INTERVENTION:

South African Sugar Terminal, 51 Maydon Rd, Maydon Wharf, Durban, South Africa, on the 25/11/2025
SGS File Ref: 200014883

Signed and dated in Durban
21st December 2025

For and on behalf of
SGS South Africa (PTY) LTD



SGS South Africa Pty. Ltd.

1 Abadan Road, Islandview, Bluff, 4036
Durban, South Africa

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KENYA BUREAU OF STANDARDS



PRE-EXPORT VERIFICATION OF CONFORMITY (PVoC)

CERTIFICATE OF CONFORMITY

UCR Number 25SGP051371149U004090565
IDF No 25ATNIM000211336
RFC Date 17.12.2025
Reference No. 25ATNIM000211336

Coc No C-25ATNIM000211336/001
Issuance Date 23.12.2025

Page 1 / 1

Importer : MOMBASA SUGAR REFINERY LIMITED PO Box 3115, Kisumu Phone # 00254736855510 Fax # 0 E-Mail admin@kibossugar.com		Exporter : WILMAR SUGAR PTE. LTD 28 Biopolis Road, 138568, SINGAPORE Phone # 0041763208405 Fax # E-Mail sugarexec@wilmar.com.sg	
Date of Inspection : 18/12/2025	Place of Inspection : Durban - South Africa	Port of Destination : Mombasa - KE	
Shipment Mode Sea Seal #	Country of Supply ZA Quantity Delivered (Full/Part) : TOTAL		
FOB Value 12471872 USD	Invoice No. S08236		Invoice Date 18/12/2025
Declared HS Code	Quantity	Product	Route Used
17011390	27839 MT	SOUTH AFRICAN RAW CANE SUGAR IN BULK	A
		Standard / Norminative Ref.	Registration / licence Ref.
		KS EAS 8:2021	N/A
Gross Weight 27839000 Kg			
Remarks The product/s conforms to the applicable standard based on the following document: 1. VARIOUS CERTIFICATE OF ANALYSIS DATED 22.12.2025 2. INSPECTION REPORT DATED 18.12.2025			

Provided and authenticated by SGS Nairobi Liaison Office on Date 23.12.2025

Authorized Office SGS SOUTH AFRICA (PTY) LTD - South Africa
Darren Diederiks

This document is valid for three months from the date of issuance

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Annex sixteen



THE REPUBLIC OF KENYA

LAWS OF KENYA

THE SUGAR ACT

NO. 11 OF 2024

Revised and published by the National Council for Law Reporting
with the authority of the Attorney-General as gazetted by the Government Printer

www.kenyalaw.org

Kenya

Sugar Act

Act No. 11 of 2024

Legislation as at 7 December 2024

By [Kenya Law](#) and [LawsAfrica](#). Share widely and freely.

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FRBR URI: /akn/ke/act/2024/11/eng@2024-12-07

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Sugar Act (Act No. 11 of 2024)
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SUGAR ACT

NO. 11 OF 2024

Published in Kenya Gazette on 7 December 2024

Assented to on 1 November 2024

Commenced on 21 November 2024

AN ACT of Parliament to provide for the development, regulation and promotion of the sugar industry, to provide for the establishment, powers and functions of the Kenya Sugar Board, and for connected purposes

Part I – PRELIMINARY

1. Short title

This Act may be cited as the Sugar Act, 2024.

2. Interpretation

In this Act, unless the context otherwise requires—

“**agreements**” means agreements specifying the standard provisions governing the rights and obligations of growers, millers, out-growers, transporters and other value chain actors in the sugar industry;

“**Board**” means the Kenya Sugar Board established under section 3;

“**by-product**” means any substance, other than sugar, produced incidentally during the process of manufacturing sugar;

“**Cabinet Secretary**” means the Cabinet Secretary for the time being responsible for matters relating to agriculture;

“**cane management**” includes the research, land preparation, contracting, agronomy, harvesting, transportation and delivery of cane;

“**County Executive Committee Member**” means the County Executive Member for the time being responsible for matters relating to agriculture in the respective County;

“**Fund**” means the Sugar Development Fund established under section 41;

“**guidelines**” means the guidelines for agreements between parties in the sugar industry set out in the regulations;

“**grower**” means a person who produces sugar-cane or any crop in Kenya for the manufacture of sugar;

“**industry**” means the sugar industry in Kenya and includes the growing of sugar-cane and any other sugar producing crop, the manufacturing, refining, warehousing, marketing, transportation of sugar and disposal of sugar and its by-products;

“**industrial sugar**” means a white crystalline carbohydrate used as a sweetener and preservative sugar, which complies with the specifications set by the body for the time being responsible for setting standards;

“**Institute**” means the Kenya Sugar Research and Training Institute established under section 29;

“**Jaggery mill**” means bare minimum technology equipment used to crush sugarcane to produce sugarcane juice which is processed through boiling to produce jaggery;

“**licence**” means a licence issued by the Board to a miller;

“**member**” means a member of the Board appointed under section 6;

“**mill gate**” means a site designed as such by the Board where sugar crops are received, weighed or tested;

“**miller**” means a person licensed to operate a sugar mill or a jaggery, mill in Kenya for the production of sugar including refined sugar and other by-products;

“**outgrower**” means a person who has a sugarcane farm in a catchment area and who has in force a cane supply contract in respect of the sugar-cane grown on such farm and registered by the Board;

“**refined sugar**” means sugar, which complies with the specifications set by the body for the time responsible for setting standards;

“**retailer**” means any person licensed to carry out retail business in Kenya and includes a supermarket, departmental store, retail shop, wholesale shop, distribution agency or a hawker;

“**stakeholder**” means a person with significant interest in the sugar industry and includes growers, out-growers, millers, transporters and other value chain actors in the industry;

“**sugar**” means crystalline or liquid sucrose derived from sugar crop in any of its recognized commercial forms, intended for human consumption or other use and includes jaggery, raw, brown, plantation (mill) white and industrial sugar;

“**sugar beet**” means any plant or part of a plant of the genus Beta or any of its hybrid that is grown for sugar production;

“**sugarcane**” means any plant or part of a plant of the genus saccharum or any of its hybrid;

“**sugar catchment area**” means a geographical area where sugarcane farmers are clustered for purposes of election and cane management;

“**sugarcane growers apex body**” mean a national organization registered under the Societies Act (Cap. 108) whose membership shall comprise of mill level registered and contracted farmers’ institutions and groups championing the rights under a cane supply agreement and in the catchment areas listed under the First Schedule and *gazetted* as such by the Cabinet Secretary for the time being responsible for Agriculture;

“**sugar crop**” means a crop grown for the purpose of sugar production including sugarcane and sugar beet;

“**sugarcane manufacturer’s apex body**” means a national body, composed of sugar and jaggery millers registered under the Societies Act (Cap. 108), with the main objective being to lobby for the interest of the registered millers;

“**Tribunal**” means the Sugar Arbitration Tribunal established under section 46.

Part II – ESTABLISHMENT, POWERS AND FUNCTIONS OF THE KENYA SUGAR BOARD

3. Establishment and incorporation of the Board

- (1) There is established a board to be known as the Kenya Sugar Board.
- (2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—
 - (a) suing and being sued;
 - (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
 - (c) borrowing or lending money; and

- (d) doing or performing all such other acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

4. Functions of the Board

(1) The Board shall—

- (a) regulate, develop and promote the sugar industry;
- (b) co-ordinate the activities of value chain actors within the industry; and
- (c) facilitate equitable access to the benefits and resources of the industry by all interested parties.

(2) Without prejudice to the generality of subsection (1), the Board shall—

- (a) participate in the formulation and implementation of overall policies, plans and programs of work for the development of the industry;
- (b) act as an intermediary between the industry and the Government;
- (c) establish linkages with other government agencies and research institutions to enhance quality assurance and research and facilitate flow of research findings to the interested parties;
- (d) monitor and regulate the domestic market with a view to identify any distortion in the sugar market and advise the Government and interested parties on any corrective measures to be taken;
- (e) advise the national and county governments on agricultural levies for purposes of planning, enhancing harmony and promotion of equity in the sugar industry;
- (f) facilitate the sale, import and export of sugar and sugar products;
- (g) promote and encourage the use of environmentally friendly technologies in the industry;
- (h) provide advisory services to growers, out-grower institutions and millers;
- (i) in collaboration with county governments, implement an equitable mechanism for the pricing of sugar crop and appropriation of proceeds from the disposal of the by-products of sugar production between millers and growers as stipulated in the guidelines;
- (j) collaborate with national and international trade bodies on sugar related matters;
- (k) oversee the formulation of standard provisions governing the mutual rights and obligations of growers, millers and other interested parties;
- (l) collect, collate and analyze industry statistics and maintain a data base for the industry;
- (m) register and license sugar and jaggery mills, exporters, importers and dealers;
- (n) enforce and monitor compliance with standards along the sugar value chain;
- (o) promote and advise on strategies for value addition and product diversification in the sugar industry;
- (p) in consultation with the county governments and other stakeholders, formulate a strategic plan for the sugar sub-sector at least once every five years;
- (q) in consultation with the county governments, formulate guidelines on an efficient, safe and economical transportation of sugar, sugar crop and disposal of unutilized by-products;
- (r) gather and disseminate market information on regional and global supply chain dynamics for the benefit of stakeholders;

- (s) establish linkages with various government agencies and research institutions to enhance quality assurance and research;
- (t) ensure that there is adequate public participation and consultation with growers in its decision making affecting the sugar industry and its stakeholders;
- (u) promote the efficiency and development of the industry through the establishment of appropriate institutional linkages; and
- (v) perform such other functions as may be conferred on it by this Act or any other written law.

5. Functions of county governments

The County Government shall—

- (a) issue certificates and inspect sugar crop nurseries in collaboration with the Kenya Sugar Research and Training Institute;
- (b) offer and coordinate extension services on sugar crop production in the respective county;
- (c) in collaboration with the Board and law enforcement agencies, enforce regulations within the county;
- (d) monitor and report incidences of pests and disease outbreaks and take appropriate action in collaboration with the Board and other relevant government agencies; and
- (e) maintain an efficient road network for the movement of sugarcane, delivery of other services and general development of the sugar industry.

6. Composition of the Board

- (1) The Board shall comprise—
 - (a) a non-executive chairperson appointed by the President;
 - (b) five representatives elected by growers from each sugar catchment area as per the First Schedule;
 - (c) two representatives each elected by private and public owned sugar mills who are knowledgeable in sugar technology and value addition;
 - (d) the Principal Secretary in the Ministry for the time being responsible for matters relating to agriculture or a representative nominated by the Principal Secretary in writing;
 - (e) one person nominated by the Council of County Governors who is knowledgeable in extension services and management of farmer institutions;
 - (f) the Principal Secretary for the time being responsible for National Treasury or a representative nominated by the Principal Secretary in writing; and
 - (g) the Chief Executive of the Board appointed under section 14 who shall be an ex-officio member and the secretary to the Board.
- (2) The members under subsection (1) (b), (c) and (e) shall be appointed by the Cabinet Secretary by notice in the *Gazette*.
- (3) The appointing authority shall ensure, in so far as it is practical, that—
 - (a) not more than two thirds of the nominees are of the same gender, and that youth and persons with disabilities are represented in the composition of the Board; and
 - (b) the election of members under subsection (1)(b) shall be on rotational basis based on the counties within the catchment area.

- (4) A person shall not be appointed as a chairperson of the Board of Directors unless the person holds at least a degree or its equivalent in any discipline from an institution recognized in Kenya and has fifteen years relevant experience in the sugar sector.

7. Term of appointment

- (1) A person appointed as chairperson or a member of the Board under section 6(1)(a), (b), (c) and (e) shall serve for a term of three years renewable for one further term upon election or nomination as the case may be.
- (2) Members of the Board under section 6(1)(a), (b), (c) and (e) shall be appointed at different times so that their respective expiry of terms of office shall fall at different times.

8. Vacation of office

A person shall cease to be a member of the Board if the person—

- (a) is absent from three consecutive meetings of the Board without notifying the chairperson in writing;
- (b) becomes an officer, agent or member of staff of the Board;
- (c) resigns in writing addressed to the Cabinet Secretary;
- (d) is convicted of a criminal offence and sentenced to a term of imprisonment exceeding six months without the option of a fine;
- (e) is declared bankrupt;
- (f) is unable to perform the functions of his or her office by reason of mental or physical infirmity; or
- (g) dies.

9. Powers of the Board

The Board shall have all the powers necessary for the proper performance of its functions under this Act, including the power to—

- (a) impose a levy or levies upon growers and millers for the purposes of giving effect to the provisions of this Act;
- (b) control, supervise and administer the assets of the Board in such manner and for such purpose as best promotes the purpose for which the Board was established;
- (c) receive any grants, gifts, donations or endowments and make legitimate disbursements therefrom;
- (d) determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Board;
- (e) lay down policy guidelines for the operations and management of all the funds collected by the Board;
- (f) access all such relevant information as may be necessary for the efficient administration of the industry;
- (g) enter into association with other bodies or organizations within or outside Kenya as the Board may consider desirable or appropriate and in furtherance of the purpose for which the Board is established; and
- (h) open a banking account or banking accounts for the funds of the Board.

10. Conduct of business and affairs of the Board

- (1) The conduct and regulation of the business and affairs of the Board shall be as provided in the Second Schedule.
- (2) Except as provided in the Second Schedule, the Board shall regulate its own procedure and the procedure of any of its committees.

11. Committees of the Board

- (1) The Board may establish such committees as it may consider necessary for the efficient performance of its functions and the exercise of its powers under this Act.
- (2) The Board may co-opt to sit in the committees established under subsection (1), such other persons whose knowledge and skills are necessary for the performance of the functions of the Board.

12. Delegation of powers of the Board

The Board may, either generally or in any particular case, delegate to any committee of the Board or to any member, officer, employee or agent of the Board, the exercise of any of the powers or the performance of any of the functions or duties of the Board under this Act.

13. Remuneration of Board members

The Board shall pay to its members, such fees or allowances for expenses as determined by the Cabinet Secretary on the advice of the Salaries and Remuneration Commission.

14. Chief Executive Officer

- (1) There shall be a Chief Executive Officer of the Board who shall be appointed through a competitive process by the Board and whose terms and conditions of service shall be determined by the Board in the instrument of appointment or otherwise in writing from time to time.
- (2) A person shall be qualified for appointment under this section if the person—
 - (a) holds a relevant degree from a university recognized in Kenya;
 - (b) has at least ten years knowledge and experience from a relevant field;
 - (c) has at least five years' experience in a position of senior management; and
 - (d) meets the provision of Chapter Six of the Constitution.
- (3) The Chief Executive Officer shall be an *ex-officio* member of the Board but shall have no right to vote at any meeting of the Board.
- (4) The Chief Executive Officer shall, subject to the directions of the Board, be responsible for the day to day management of the affairs of the Board.

15. Staff of the Board

The Board may appoint such officers and other staff as are necessary for the proper discharge of its functions under this Act, upon such terms and conditions of service as the Board may determine.

16. Protection from personal liability

A member, officer, employee or agent of the Board shall not be held personally liable to any action, claim or demand for a matter or thing done *bona fide* for the purpose of executing the functions, powers or duties of the Board.

17. Liability of the Board for damages

Section 16 shall not relieve the Board of the liability to pay compensation to any person for any injury to him, his property or to any of his interests caused by the exercise of any power conferred by this Act or by the failure, whether wholly or partially, of any works.

Part III – LICENSING AND REGISTRATION**18. Registration of millers**

- (1) A person shall not conduct the business of a miller unless he or she is registered by the Board and the premises in which the business is conducted is specified in the register in accordance with regulations made under this Act.
- (2) The Board shall issue to each miller registered under this section, a certificate of registration specifying the premises at which milling may be carried on by the miller.
- (3) No fee shall be charged in respect of registration or certification of registration made or issued under this section.
- (4) In issuing certificates of registration under subsection (3), the Board shall satisfy itself that the premises upon which milling may be carried out meets the environmental standards set by the National Environmental Management Authority and the miller has been issued with a certificate of safety by the relevant county government.
- (5) A miller may offer extension or other services to growers.
- (6) Every miller registered under this section shall conduct business in accordance with this Act and any regulations made thereunder.
- (7) A person who contravenes the provisions of this section commits an offence and shall upon conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding ten million shillings or to both.

19. Registration of a grower to a factory

- (1) A miller shall not purchase sugar crop from, or accept, sugar crop delivered by a grower and a grower shall not sell or deliver sugar crop to a miller, unless the—
 - (a) grower is registered with, and has in force a valid supply agreement with the miller;
 - (b) factory of the miller is situated within the grower's sugarcane catchment area; or
 - (c) grower is exempted from the requirements by section 20.
- (2) No miller shall, refuse to accept or collect sugar crop for the manufacture of sugar delivered by a grower in accordance with a cane supply agreement.
- (3) A miller or a grower who contravenes the provisions of this section commits an offence and shall be liable, on conviction, to a fine not less than one million shillings or three times the market value of sugar in respect of which the offence is committed, whichever is greater, or to imprisonment for a term not less than one year, or to both such fine and imprisonment.

20. Exemption from sugarcane catchment area

- (1) A grower may deliver cane outside a sugarcane catchment area provided that, the grower—
 - (a) has no supply agreement with a miller within the sugarcane catchment area that they are situated in;

- (b) is not indebted to a miller or an outgrower institution within the sugarcane catchment area;
or
 - (c) has a pre-existing agreement with a miller situated outside the sugarcane catchment area.
- (2) The grower who intends to exercise the exemption under this section shall notify the Board of their intention to supply cane outside a sugarcane catchment area.
- (3) The Cabinet Secretary shall prescribe regulations for the notification process under subsection (2).

21. Inter-miller agreements

A miller may enter into a contract of cane supply with another miller if#

- (a) the factory of the miller is temporarily broken down;
- (b) there is an oversupply of cane to the miller; or
- (c) the mill is located within the same sugarcane catchment area.

22. Requirement of a licence to operate mill

- (1) A person shall not operate a sugar mill or a jaggery mill unless he or she is a holder of a current licence issued by the Board upon recommendation by the relevant County Government for that purpose.
- (2) A person who contravenes the provisions of subsection (1) or acts in contravention of the conditions of a licence granted under this Act commits an offence and shall be liable on conviction, to a fine not exceeding three times the domestic value of the sugar in respect of which the offence is committed, or to a fine not exceeding ten million shillings, whichever is the higher, or to imprisonment for a term not exceeding five years, or to both.

23. Issue of licence and licence fees

- (1) A person shall apply to the Board for a licence to operate a sugar mill or a jaggery mill in the prescribed form.
- (2) The Board shall not issue a licence under this Act unless—
- (a) it is of the opinion that the applicant is a fit and proper person to hold such a licence; and
 - (b) it is satisfied that the applicant has sufficient knowledge, experience and capacity to enable him conduct business or that he has, amongst his staff, a person with such knowledge and experience.
- (3) Every licence shall specify the premises upon which the milling of sugar may be carried on.
- (4) There shall be payable for the issue of a licence, such fees as the Board, after consultation with the Cabinet Secretary, may prescribe.
- (5) The issuance of a licence to an applicant under this section shall not be withheld without reasonable cause.

24. Conditions of a licence

- (1) A license issued under this Act shall be subject to such conditions as the Board may determine and as prescribed in regulations.
- (2) Every license shall, unless earlier revoked, expire on the 30th June next following the date of issue.

25. Sugar import

- (1) A person shall not import or export sugar crop, sugar or sugar by-products without a valid licence issued by the Board in accordance with regulations made under this Act.
- (2) A holder of a valid import or export licence shall not import or export sugar crop, sugar or sugar by-products unless they have obtained a pre-import permit or pre-export approval from the Board in accordance with regulations made under this Act.
- (3) A person who imports sugar into Kenya shall, prior to importation—
 - (a) provide evidence that the sugar they intend to import is not available in the local market;
 - (b) provide a sample of the sugar to be imported and pre-import verification certificate from the country of origin; and
 - (c) obtain pre-import approval from the Board.
- (4) A person who contravenes this section commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding five years or to a fine not exceeding ten million shillings or to both.
- (5) This section shall apply to importation of sugar-cane.

26. Safeguard measures

- (1) The Board shall ensure, subject to such regional and international trade agreements to which Kenya is a party, that all sugar imports into the country are subject to all the prevailing import duties, taxes and other tariffs.
- (2) Despite subsection (1), the Board shall ensure that—
 - (a) sugar shall be imported in the country only when there is sugar deficit and for a specific tonnage; and
 - (b) importers report to the Board on their imports, sales and stock as may be determined by the Board.
- (3) The government shall introduce other safeguard measures as may be necessary to protect the industry from unfair trade practices.
- (4) A person who contravenes the provision of this section commits an offence and shall be liable, on conviction, to a fine not exceeding three times the value of the domestic sugar in respect of which the offence is committed, or two million shillings, whichever is higher, or to imprisonment to a term not exceeding ten years, or to both.

27. Industrial sugar

- (1) A licenced sugar miller shall be licenced by the Board to carry out the business of processing industrial sugar.
- (2) The Board shall regulate the processing of industrial sugar.

28. Duties of millers and retailers

- (1) Every miller shall supply sugar and other sugar products to the domestic market in a package that satisfies the trade principle of traceability.
- (2) Every retailer shall sell sugar products in a package that satisfies the trade principle of traceability.
- (3) The Cabinet Secretary shall within six months of the enactment of this Act, make regulations for the better implementation of the provisions of this section.

- (4) Any person who contravenes the provisions of this section commits an offence and shall, upon conviction, be liable to imprisonment for a term not exceeding two years or a fine not exceeding one million shillings or both.

Part IV – ESTABLISHMENT OF THE KENYA SUGAR RESEARCH AND TRAINING INSTITUTE

29. Establishment of the Kenya Sugar Research and Training Institute

- (1) There is hereby established a body to be known as the Kenya Sugar Research and Training Institute.
- (2) The Institute is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—
- (a) suing and being sued;
 - (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;
 - (c) borrowing and lending money;
 - (d) entering into contracts; and
 - (e) doing or performing all other things or acts necessary for the proper performance of its functions under this Act, which may lawfully be done or performed by a body corporate.

30. Functions of the Institute

- (1) The Institute shall—
- (a) promote, co-ordinate and regulate research in sugar, sugar crop, sugar by-products, sugar technologies and management practices.
 - (b) expedite equitable access to research information, resources, sugar technologies and innovations and promote the application of research findings in the development of the sugar industry.
- (2) For the purpose of carrying out its functions, the Institute shall—
- (a) formulate policy and make policy recommendations in respect of sugar research, development and training to the Board in line with the national policy on sugar;
 - (b) determine and advise the Board on the resource requirements for sugar research in Kenya both at the national and county level;
 - (c) regulate, monitor and ensure that all sugar research undertaken by other institutions or persons undertaking sugar research is consistent with the national priorities specified in the relevant policy documents;
 - (d) formulate or approve medium and long term research plans, strategies and budgets of the Institute;
 - (e) provide grants to institutions or persons desirous of carrying out research and training programs which are consistent with the national research priorities and plans of the Institute;
 - (f) support and promote the training and capacity building in relation to sugar industry research;
 - (g) liaise with and ensure the co-ordination of institutions, agencies and persons involved in sugar research;

- (h) establish platforms for the purposes of sharing research information, advancing research and transfer of technology and dissemination of information relating to advancements made in sugar industry research;
- (i) conduct training in industry best practice and value-addition;
- (j) ensure continuance of performance improvement in the field of sugar industry research;
- (k) breed and promote sugarcane varieties suited for various agro-ecological areas of Kenya;
- (l) conduct research on nutritional requirements of sugar crop in order to provide recommendations on the appropriate inputs;
- (m) appraise technologies on land preparation, drainage and water management for economical cane sugar crop production;
- (n) study and monitor pests and diseases that affect sugar crop and recommend appropriate control strategies;
- (o) develop agronomic packages for sugar crop maintenance and management;
- (p) institute socio-economic investigations to improve human resource management and enhance development of the sugar industry as an agribusiness;
- (q) test, design and evaluate farm machinery transport and factory equipment for efficient sugar production;
- (r) promote transfer of sugar industry technology based on applied research through relevant training and extension mechanism;
- (s) foster research on sustainable productivity, environmental issues, human safety at field and factory levels;
- (t) collaborate with the Government, the industry, universities and other national and international organizations for the purpose of furthering the Institute's mission;
- (u) charge fees or levies for rendered services and products;
- (v) offer modular courses on various aspects of sugar industry technologies, innovations and management practices.
- (w) perform such other function as may be conferred on it by this Act or any other written law.

31. Management of the Institute

- (1) The Management of the Institute shall vest in the Board of Directors which shall consist of—
 - (a) a chairperson appointed by the Cabinet Secretary through a competitive process in consultation with the Public Service Commission;
 - (b) one person nominated by sugarcane growers' apex body;
 - (c) one person nominated by sugarcane manufacturers apex body;
 - (d) one person with knowledge of and experience in the operation of the sugar industry nominated by the Council of Governors;
 - (e) one person with knowledge and experience in agricultural research in sugar technology nominated by the Cabinet Secretary;
 - (f) the Principal Secretary for the time being responsible for National Treasury or a representative appointed in writing;
 - (g) the Principal Secretary for the time being responsible for Agriculture or a representative appointed in writing;

- (h) the Director General of the Kenya Agricultural Livestock and Research Organization; and
 - (i) the Managing Director who shall be an *ex-officio* member.
- (2) The Cabinet Secretary shall appoint the members under subsection (1) (a), (b), (c), (d) and (e) by notice in the *Gazette*.
- (3) A person shall not be appointed as a chairperson of the Board of Directors of the Institute unless the person holds at least a degree or its equivalent in agricultural research or a related field from an institution recognised in Kenya and has at least ten years' experience in the sugar industry.

32. Application

The provisions of sections 8, 9, 10, 11 and 12 shall apply to the Board of the Institute with necessary modification.

33. Funds of the Institute

The funds of the Institute shall consist of#

- (a) monies remitted by the Board from the sugar development levy;
- (b) such monies as may accrue to or vest in the Board in the course of the exercise of its functions under this Act;
- (c) monies from any other source as approved by the Board of Directors and Ministry responsible; and
- (d) levies and fees accruing from rendered services and products.

34. Managing Director of the Institute

- (1) There shall be a Managing Director of the Institute who shall be appointed through a competitive process by the Board of the Institute and whose terms and conditions of service shall be determined by the Board in consultation with the Public Service Commission in the instrument of appointment or otherwise in writing from time to time.
- (2) A person shall be qualified for appointment under this section if the person-
 - (a) holds a doctorate degree in agricultural studies, agronomy plant genetics and breeding, soil science or a related field from a university recognized in Kenya;
 - (b) has at least ten years knowledge and experience from a relevant field;
 - (c) has at least five years' experience in a position of senior management; and
 - (d) meets the provisions of Chapter Six of the Constitution.

Part V – APPOINTMENT OF SUGAR INDUSTRY INSPECTORS

35. Appointment of crop inspectors

- (1) The Board shall appoint qualified sugar industry inspectors for purposes of undertaking its functions under this Act or any other written law.
- (2) Notwithstanding any other provision of this Act or any other written law, the sugar industry inspector shall comprise of—
 - (a) a crop inspector;
 - (b) a factory inspector;
 - (c) a warehouse and transportation inspector; and

- (d) any other inspector that the Board may consider necessary.
- (3) A person shall not be appointed as a sugar industry inspector unless such person holds an academic or professional qualification prescribed by the Board.
- (4) The Board shall maintain a register of persons qualified to be appointed as sugar industry inspectors.
- (5) A person shall not be appointed as a sugar industry inspector unless such person is registered by the Board.
- (6) The Board may appoint any other government agency as a sugar industry inspector for purposes of this Act.
- (7) The Cabinet Secretary shall make Regulations for the better implementation of the provisions of this section.

36. Entry and inspection

An inspector or a person duly authorized in writing in that behalf by the Board may, at all reasonable times and upon production of such authority to any person so requesting—

- (a) enter any land or buildings occupied by the holder of a licence issued under this Act, or a person registered under this Act;
- (b) make such inspection and enquiries as the person may deem necessary for ascertaining whether the provisions of this Act or the terms and conditions of the respective licence are being complied with; and
- (c) may require any person found thereon to give such information as the person may require.

37. Powers of entry

- (1) For the purposes of this Act, an inspector who has reasonable grounds may—
 - (a) at any reasonable time, enter upon any land, premises or vehicle;
 - (b) take such persons and things as the inspector considers necessary;
 - (c) perform the functions or exercise the powers conferred by this Act or any other written law;
 - (d) make enquiries or carry out a search to ascertain if this Act is being complied with;
 - (e) demand the production by a licence holder of the licence for examination;
 - (f) seize and remove any article or thing in respect of which the inspector has reasonable grounds for believing that an offence under this Act is being or has been committed; or
 - (g) do any other thing authorized under this Act.
- (2) The owner or occupier of any land or a person in control of any premise or a vehicle which an inspector has entered under subsection (1) shall render such reasonable assistance as may be required by the inspector.
- (3) A person who refuses, unreasonably delays or fails to comply with a requirement under subsection (2) commits an offence.

38. Obstruction of inspectors

- (1) A person shall not prevent, hinder or obstruct an inspector in performance of the functions, and duties or exercise of powers conferred by this Act.

- (2) A person who contravenes subsection (1) commits an offence and shall be liable, on conviction, to a fine not exceeding one million shillings, or to imprisonment for a term not exceeding two years, or both.

Part VI – FINANCIAL PROVISIONS

39. Funds of the Board

The funds of the Board shall comprise—

- (a) such monies as may be appropriated by the National Assembly for the purposes of the Board;
- (b) such monies as may accrue to or vest in the Board in the course of the exercise of its powers or the performance of its functions under this Act;
- (c) all monies from any other source provided for or donated or lent to the Board; and
- (d) the Sugar Development Levy.

40. Sugar Development Levy

- (1) The Cabinet Secretary shall in consultation with the Board, by order in the *gazette*, impose a levy on domestic sugar not exceeding four *per centum* of the value and a four *per centum* of CIF value on imported sugar to be known as the Sugar Development Levy.
- (2) The levy shall be payable at such rate as may be specified in the order.
- (3) An order under this section may contain provisions as to the time at which any amount payable by way of the levy shall become due.
- (4) All moneys received in respect of the levy shall be paid to the Board and if not paid on or before the date prescribed by the order, the amount due and any sum payable under subsection (5) shall be a civil debt recoverable summarily by the Board.
- (5) If a person fails to pay any amount payable by him or her by way of the levy on or before the date prescribed by the order, a sum equal to three *per centum* of the amount shall be added to the amount due for each month or part thereof during which the amount due remains unpaid.
- (6) The Sugar Development Levy collected under subsection (2) shall be appropriated as follows—
 - (a) fifteen *per centum* shall be applied for factory development and rehabilitation;
 - (b) fifteen *per centum* shall be applied for research and training allocated to the Kenya Sugar Research and Training Institute;
 - (c) forty *per centum* shall be applied for cane development and productivity enhancement;
 - (d) fifteen *per centum* shall be allocated to sugarcane producing regions on *pro-rata* basis based on production capacity for infrastructural development and maintenance and shall be managed by the Board;
 - (e) ten *per centum* shall be applied for the administration of the Board; and
 - (f) five *per centum* shall be applied for the furtherance and exercise of the functions of sugarcane farmers organisations.

41. Sugar Development Fund

- (1) There is established a Fund to be known as the Sugar Development Fund which shall be administered by the Board.

(2) The Fund shall consist of—

- (a) the Sugar Development levy;
- (b) any funds provided by bilateral or multilateral donors for the purposes of the Fund;
- (c) any moneys provided by the National Assembly for the purposes of the Fund;
- (d) any moneys provided by a county assembly for the purposes of the Fund; and
- (e) moneys from any other source approved by the Board.

42. Financial year

The financial year of the Board shall be the period of twelve months ending on the thirtieth of June in every year.

43. Annual estimates

- (1) Before the commencement of each financial year, the Board shall cause to be prepared estimates of revenue and expenditure of the Board for that financial year.
- (2) The annual estimates shall make provision for all the estimated expenditure of the Board for the financial year concerned and in particular, shall provide for—
 - (a) the payment of salaries, allowances and other charges in respect of the staff of the Board;
 - (b) the payment of pensions, gratuities and other charges in respect of retirement benefits which are payable out of the funds of the Board;
 - (c) the proper maintenance of the buildings and grounds of the Board;
 - (d) the acquisition, maintenance, repair and replacement of the equipment and other movable property of the Board; and
 - (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment, or in respect of such other matters as the Board may deem appropriate.
- (3) The annual estimates shall be approved by the Board before the commencement of the financial year to which they relate and once approved, the sum provided in the estimates shall not be increased without the prior consent of the Board.

44. Accounts and audit

- (1) The Board shall cause to be kept all proper books and records of accounts of the income, expenditure, assets and liabilities of the Board.
- (2) Within a period of three months from the end of the financial year, the Board shall submit to the Auditor-General or to an auditor appointed under subsection (3), the accounts of the Board together with—
 - (a) a statement of the income and expenditure of the Board during that year; and
 - (b) a statement of the assets and liabilities of the Board on the last day of that year.
- (3) The accounts of the Board shall be audited by the Auditor-General or by an auditor appointed by the Board with the written approval of the Auditor-General.
- (4) The appointment of an auditor under subsection (3) shall not be terminated by the Board without the prior written consent of the Auditor-General.

- (5) The Auditor-General may give general or specific directions to an auditor appointed under subsection (3) and the auditor shall comply with such directions.
- (6) An auditor appointed under subsection (3) shall report directly to the Auditor-General on any matter relating to the directions given under subsection (5).
- (7) Within a period of six months after the end of each financial year, the Auditor-General shall report on the examination and audit of the accounts of the Board to the Cabinet Secretary and where an auditor has been appointed under subsection (3), such auditor shall transmit a copy of the report to the Auditor General.
- (8) The fee payable to an auditor, appointed under subsection (3) shall be determined and paid by the Board.
- (9) Nothing in this Act shall be construed to prohibit the Auditor General from carrying out an inspection of the records and accounts of the Board whenever it appears to him desirable.
- (10) Notwithstanding anything in this Act, the Auditor-General may transmit to the Cabinet Secretary a special report on any matters incidental to his power under this Act and section 50(1) of the Public Audit Act (Cap. 412B) shall, with necessary modifications, apply to any report made under this section.

45. Annual report

- (1) The Board shall, within three months after the end of each financial year, prepare and submit to the Cabinet Secretary a report of the operations of the Board for the immediate preceding year.
- (2) The Cabinet Secretary shall lay the report submitted to him under subsection (1) before the National Assembly and Senate within three months of the day the National Assembly and the Senate next sits after the receipt of the report.

Part VII – ESTABLISHMENT OF THE SUGAR ARBITRATION TRIBUNAL

46. Establishment of the Sugar Arbitration Tribunal

- (1) There is hereby established a Tribunal to be known as the Sugar Arbitration Tribunal.
- (2) The Tribunal shall consist of—
 - (a) a chairperson appointed by the Chief Justice who shall be a person qualified to be appointed as a judge of the High Court; and
 - (b) four other members, being persons with expert knowledge in economics, trade, law, agriculture, research and engineering with at least five years' experience in arbitration, all of who shall be appointed by the Chief Justice through a competitive recruitment process.
- (3) The Chairperson and members of the Tribunal shall serve on a part-time basis.
- (4) The members of the Tribunal appointed under subsection (2) shall hold office for such period, not exceeding three years, on such terms and conditions as shall be specified in the instrument of appointment but shall be eligible for re-appointment for one further term of a period not exceeding three years.
- (5) A person shall not be qualified to be appointed as a member of the Tribunal if that person is a public servant or takes an active part in the activities of a political party.
- (6) A person shall not qualify for appointment under this section unless the person has met the requirement of Chapter Six of the Constitution.
- (7) The provisions set out in the Third Schedule shall have effect with respect to the meetings and procedure of the Tribunal.

- (8) Except as provided in the Third Schedule, the Tribunal shall regulate its own procedure as to the conduct of meetings.

47. Jurisdiction of the Tribunal

- (1) The Tribunal shall determine—
- (a) disputes between sugar crop farmers;
 - (b) disputes between sugar crop farmers and the following—
 - (i) out grower institutions;
 - (ii) millers;
 - (iii) other interested parties;
 - (c) disputes relating to cane pricing;
 - (d) disputes relating to contract farming;
 - (e) disputes between millers; and
 - (f) disputes between any other interested parties.

48. Determination of disputes

- (1) The Tribunal shall expeditiously determine any dispute before, but in any case, shall determine a dispute within a period of three months from the date the dispute is lodged.
- (2) An Appeal shall lie from the decision of the Tribunal to the High Court within thirty days on points of law and facts and on points of law to the Court of Appeal.
- (3) A decision of the Tribunal shall be enforced in the same manner as a decision of a Magistrates Court.
- (4) The Tribunal shall apply the rules of evidence and procedure under the Evidence Act (Cap. 80) and the Civil Procedure Act (Cap. 21), with the necessary modifications, while ensuring that its proceedings do not give undue regard to procedural technicalities.

49. Powers of the Tribunal

The Tribunal shall have the powers of the High Court—

- (a) to administer oaths to the parties and witnesses to the proceedings;
- (b) to summon witnesses and to require the production of documents;
- (c) to order the payment of costs; and
- (d) to order that the provisions of the law relating to Commissions of Inquiry in Kenya with respect to—
 - (i) the protection of the members of the Tribunal from suit;
 - (ii) the form of summonses to witnesses;
 - (iii) to giving or fabricating of false evidence;
 - (iv) the duty and indemnity of witnesses, and the penalty for contumacy, insult or interruption of proceedings; and
 - (v) the appearance of advocates;

shall with any necessary adaptations or modifications, apply to the members of, the witnesses before, and the proceedings before, the Tribunal in like manner as they apply to Commissions of Inquiry.

50. Removal of members of the Tribunal

A member of the Tribunal may be removed if the member—

- (a) becomes an undischarged bankrupt;
- (b) is convicted of a criminal offence and sentenced to imprisonment for a period exceeding six months without the option of a fine;
- (c) is incapacitated by reason of prolonged physical or mental illness from performing the duties of the office;
- (d) violates the Constitution; or
- (e) is otherwise unable or unfit to discharge the functions of the office.

51. Vacancy

Where the office of any member becomes vacant, whether by death or otherwise, the Chief Justice may appoint another person to be a member of the Tribunal and such member shall serve for his or her full term.

52. Secretary of the Tribunal

The Chief Justice shall appoint a Secretary and such other staff of the Tribunal necessary for the proper functioning of the Tribunal.

53. Remuneration of members and staff of the Tribunal

- (1) The remuneration of the staff of the Tribunal and the expenses of the Tribunal shall be paid out of monies allocated by the National Assembly to the Judiciary Fund.
- (2) The Chairperson and members of the Tribunal shall be paid such allowances and be reimbursed such expenses as shall be determined by the Judicial Service Commission on the recommendation of the Salaries and Remuneration Commission.

Part VIII – MISCELLANEOUS PROVISIONS**54. Annual general meeting**

- (1) The Board shall, at least once in every year, convene an annual general meeting of representatives of millers and growers for the purposes of considering the annual report and accounts of the Board and for the purposes of transacting such other business of which notice shall be given.
- (2) The Board may convene special meetings in addition to the meetings mentioned in subsection (1) for such purposes and at such times as it may deem fit.
- (3) Subject to this Act and any regulations made thereunder, the Board may make rules for the regulation of the conduct of business and procedure at the general meetings convened pursuant to this section.

55. Quality, safety and health control measures

All sugar millers and importers shall ensure that all sugar produced locally or imported into the country meets—

- (a) safety and quality standards as set by the body for the time being responsible for setting standards;

- (b) safety and health standards for food handlers as set by the body for the time being responsible for public health; and
- (c) environmental standards and issues as set by the body from time to time being responsible for public health.

56. Inspection for quality and safety

- (1) The Board shall carry out physical inspection of premises licenced under section 23 quarterly to ensure that safety and health standards are followed.
- (2) Every person licenced under this Act shall—
 - (a) not discharge any affluent, dangerous materials, substances, oil or oil mixtures into land, water, air, or aquatic environment;
 - (b) not release smoke or any air pollutant to the air that pollutes the environment;
 - (c) manage any hazardous waste and materials;
 - (d) not import any hazardous waste;
 - (e) not mislabel any sugar or jaggery; and
 - (f) not aid or abet illegal trafficking of sugar or related substances.
- (3) When an offence under this section, is committed by a body corporate, the body corporate and every director or officer of the body corporate who ought to have had knowledge of the commission of the offence and who did not exercise due diligence, efficiency and economy to ensure compliance with this Act, commits an offence and shall be liable upon conviction to a fine not exceeding five million shillings or to an imprisonment for a term not exceeding five years.
- (4) In addition to the sentence under subsection (3), the Court may order for the revocation of a licence.

57. Offences and penalties

- (1) The Board may direct any organization or person in the industry to produce any document or information, or submit any returns which it reasonably considers necessary for the proper performance of its functions under this Act.
- (2) Any person who—
 - (a) fails to comply with any direction given by the Board under this Act; or
 - (b) furnishes to the Board any information or produces any document which is false or misleading in any material particular; or
 - (c) obstructs an officer of the Board in the performance of his functions under this Act; or
 - (d) diverts or abets the diversion of transit sugar into the domestic market,

commits an offence.

- (3) A person convicted of an offence under paragraph (d) of subsection (2) shall be liable to a fine not exceeding three times the domestic value of the sugar in respect of which the offence is committed, or two million shillings, whichever is the higher, or to imprisonment for a term not exceeding ten years, or to both.

58. Sugar industry agreements

- (1) There shall be, for the purposes of this Act, agreements to be known as the sugar industry agreements negotiated between growers and millers, growers and out-grower institutions, and millers and out-grower institutions.
- (2) Without prejudice to the generality of subsection (1), the matters to be provided for in the agreements shall include—
 - (a) the designation of any agricultural crop from which it is possible to manufacture sugar which is subject to the agreement;
 - (b) the right of a grower to grow a sugar crop on their land;
 - (c) a sugar-cane farming contract providing for the terms and conditions of the production of sugarcane and sugar and prescribing the rights and obligations of growers and millers;
 - (d) a formula for determining the price to be paid by millers to growers for sugarcane or any other designated agricultural produce in consultation with stakeholders, which may include any factor related to the sale or other disposal of sugar industry products;
 - (e) the functions to be executed by the Board in the execution of the agreement;
 - (f) the granting of powers to the Board to enforce penalties prescribed in the agreement for the contravention of, or failure to comply with any term of the agreement; and
 - (g) the enforcement of levies upon growers and millers for the purpose of enabling the Board to fulfill any obligation incurred by it in accordance with its constitution.

59. General penalty

- (1) A person who contravenes any of the provisions of this Act commits an offence.
- (2) A person convicted of an offence under this Act for which no other penalty is provided for shall be liable—
 - (a) in the case of a first conviction, to a fine not less than one million shillings or three times the market value of the sugar in respect of which the offence is committed, whichever is greater, or imprisonment for a term not less than one year, or to both such fine and imprisonment; and
 - (b) in the case of a second or subsequent conviction, to a fine not less than three million shillings or three times the market value of the sugar in respect of which the offence is committed, whichever is greater, or to imprisonment for a term not less than two years, or to both such fine and imprisonment.

60. Sugarcane pricing committee

- (1) There shall be a Sugarcane Pricing Committee (hereinafter referred to as "the committee").
- (2) The Committee shall comprise of—
 - (a) a nominee of the Board;
 - (b) one person nominated by the sugar manufacturers' apex body;
 - (c) two persons nominated by the sugar growers' apex body;
 - (d) the Principal Secretary responsible for finance or a representative appointed in writing;
 - (e) the Principal Secretary responsible for matters related to Agriculture or a representative appointed in writing;

- (f) two representatives from county government nominated by the Council of Governors; and
 - (g) a nominee of the Sugar Research and Training Institute.
- (3) The main objective of the Committee shall be to—
- (a) review sugarcane prices in consultation with the Sugar Research and Training Institute;
 - (b) provide a mechanism that remunerates farmers for other products delivered from the processing of the cane;
 - (c) ensure adherence to the negotiated cane processing formula;
 - (d) transition to payment based on quality; and
 - (e) enforce contracts between farmers and millers.
- (4) The Committee shall come up with a pricing formula and in doing so shall take into account the—
- (a) pricing mechanism for all other cane related charges paid by the farmer;
 - (b) an index that takes into consideration delayed harvesting;
 - (c) transportation cost per tonne per kilometre of sugarcane;
 - (d) inflation and adjustment cost of production; and
 - (e) formula as provided by the Sugar Research and Training Institute.
- (5) The Board shall offer secretarial services to the Committee.
- (6) The sugarcane prices set by the Committee under subsection (3) shall be reviewed after three months provided that the Committee may, with prior approval of the Board, undertake an early review of the sugarcane pricing.

Part IX – PROVISIONS ON DELEGATED POWERS

61. Regulations

- (1) The Cabinet Secretary shall in consultation with county governments and the Board make regulations generally for the better carrying into effect of the provisions of this Act.
- (2) Without prejudice to the generality of subsection (1), may make regulations prescribing—
- (a) the regulation and control of the production, manufacturing, marketing, importation or exportation of sugar and its by-products;
 - (b) the forms of licences to be issued under this Act, and the form and manner of application for the licences;
 - (c) the fees which may be charged for any activity relating and incidental to the development, products, marketing and distribution of sugar and its by-products;
 - (d) the establishment of weigh bridges and collection centres;
 - (e) standards on grading, sampling and inspection, tests and analysis, specifications, units of measurement, code of practice and packaging, preservation, conservation and transportation of sugar and sugar by-products to ensure safety and proper trading;
 - (f) production and import of sugar to ensure adequate sugar availability in the country;
 - (g) guidelines on general industry agreements between growers and millers and between parties in the sugar industry;

- (h) minimum period within which farmers are to be paid for sugar crop delivered and penalties for delayed payments;
 - (i) cane harvesting and transportation;
 - (j) the conditions with respect to the delivery, measurement, examination and testing of sugar crop;
 - (k) the seizure by an inspector of books, documents and sugar crop which, in the opinion of the inspector, may afford evidence of a contravention of this Act and the doing of such other things as may appear to the inspector to be necessary for ascertaining whether compliance has been made with this Act;
 - (l) the procedure for election of farmers' and millers' representatives to the Board and the pricing committee; and
 - (m) penalties for non-adherence to sugar industry agreements.
- (3) Without prejudice to the generality of this section, the Cabinet Secretary shall make the regulations necessary to operationalize this Act within six months from the date of commencement of this Act.

Part X – CONSEQUENTIAL AMENDMENTS

62. Amendment of the First Schedule to (Cap. 317)

The Agriculture and Food Authority Act (Cap. 317) is amended in the First Schedule by deleting paragraph 1(ii).

63. Amendment of the First Schedule to (Cap. 318)

The Crops Act (Cap. 318) is amended in Part I of the First Schedule by deleting the words "Sugarcane..... Saccharum spp".

Part XI – SAVINGS AND TRANSITIONAL PROVISIONS

64. Transfer of Staff

- (1) Upon the commencement of this Act, a person who was a member of the staff of the former Sugar Board of Kenya before the commencement of the Agriculture and Food Authority Act (Cap. 317) and current staff of the Sugar Directorate not being under any notice of dismissal or resignation shall upon commencement of this Act and subject to subsection (2) become a staff of the Board on their current or improved terms and conditions of service.
- (2) The pensions of staff under the provident fund of Agriculture and Food Authority-Sugar Directorate shall on the commencement of the Act vest in the Board.

65. Transfer of assets and liabilities

All property, except such property as the Cabinet Secretary may specify in writing, which, immediately before the commencement of this Act, was vested in the Government for the use of the Sugar Directorate of the Agriculture and Food Authority, shall, on the date of commencement of this Act, vest in the Board subject to all interests, liabilities, charges, obligations and trusts affecting that property.

66. Pending proceedings and claims

All legal proceedings and claims pending in respect of actions and activities to which this Act apply shall be continued or enforced by or against the Board in the same manner as they would have been continued or enforced by or against the Agriculture and Food Authority had this Act not been enacted.

FIRST SCHEDULE

[S. 2, 6(1)(b), 19(1), 20, and 21(c)]

DELINEATION OF SUGAR CATCHMENT AREAS

SUGAR CATCHMENT AREA	COUNTIES
Central	Kisumu, Southern Nandi, and Kericho Counties
Upper Western	Bungoma, Kakamega - excluding Mumias area, Trans-Nzoia, Uasin-gishu, and Northern Nandi Counties
Lower Western	Mumias, Busia and Siaya Counties
Southern	Migori, Homa Bay, Kisii, Narok Counties
Coastal	Kwale, Tanariver, and Lamu Counties

SECOND SCHEDULE [s. 10]

PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

1. Meetings

- (1) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.
- (2) Notwithstanding the provisions of subparagraph (1), the Chairperson may, and upon request in writing by at least five members shall, convene a special meeting of the Board at any time for the transaction of the business of the Board.
- (3) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board.
- (4) The quorum for the conduct of the business of the Board shall be two thirds of the members of the Board provided that in the case of a tie, the chairperson shall have a casting vote.
- (5) The chairperson shall preside at every meeting at which he or she is present but, in his or her absence, the members shall elect one of their members to preside who shall with respect to that meeting and the business transacted thereat have all the powers of the chairperson.
- (6) Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of the votes of the members present and voting and in the case of an equality of votes, the Chairperson or the person presiding shall have a casting vote.

- (7) Subject to paragraph (4), no proceeding of the Board shall be invalid by reason only of a vacancy among the members thereof.
- (8) Subject to the provisions of this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board and for the attendance of other persons at its meetings and may make standing orders in respect thereof.

2. Disclosure of interest

- (1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.
- (2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

3. The common seal

The affixing of the common seal of the Board shall be authenticated by the signature of the Chairperson and the Chief Executive Officer and any document not required by law to be made under seal and all decisions of the Board may be authenticated by the signatures of the Chairperson and the Chief Executive Officer:

Provided that the Board shall, in the absence of either the Chairperson or the Chief Executive Officer in any particular matter, nominate one member to authenticate the seal of the Board on behalf of either the Chairperson or the Chief Executive Officer.

4. Contracts and instruments

Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Board by any person generally or specially authorized by the Board for that purpose.

THIRD SCHEDULE [s. 46.]

PROVISIONS AS TO THE MEETINGS AND PROCEDURE OF THE TRIBUNAL

1. Resignation

Any member of the Tribunal may, at any time, by notice in writing to the Chief Justice, resign his office.

2. Vacation of office

- (1) If a member of the Tribunal becomes a member of the Board or, in any case where a member other than the Chairperson is appointed to the service of the Government his or her office shall become vacant.
- (2) The Chairperson or a member of the Tribunal may be removed from office by the Chief Justice if the member is—
 - (a) unable to discharge the functions of his office by reason of mental or physical infirmity; or
 - (b) an undischarged bankrupt; or
 - (c) convicted of an offence involving fraud or dishonesty; or
 - (d) convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings.

- (3) In the event of the inability of any member of the Tribunal to attend for the purpose of any particular proceedings, the Chief Justice may appoint another person to be a member of the Tribunal for the remainder of the term of the member whose vacancy caused the appointment.

3. Disclosure of interests

If any member of the Tribunal has any interest in any particular proceedings before the Tribunal, he or she shall so inform the Chief Justice and the Chief Justice may, after considering that interest, appoint another member in his place for the purpose of the particular proceedings.

4. Majority decisions

The decision of the Tribunal shall be that of the majority and shall be signed by the members thereof agreeing thereto.

5. Quorum

The quorum of the Tribunal shall be three members.

6. Proceedings to be valid

No proceedings of the Tribunal shall be invalid by reason only of a vacancy among the members thereof.

7. Venue

The Tribunal shall sit at such place as it may consider most convenient having regard to all the circumstances of the particular proceedings.

8. Rules

Subject to the provisions of this Schedule, the Tribunal shall have power to make rules governing its procedure.

9. Proof of document

A document purporting to be a copy of any order of the Tribunal, and certified by the Chairperson to be a true copy thereof, shall in any legal proceedings be *prima facie* evidence of the order.



THE REPUBLIC OF KENYA

LAWS OF KENYA

THE SUGAR (IMPORTS AND EXPORTS) REGULATIONS

NO. 168 OF 2025

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Kenya

Sugar Act

The Sugar (Imports and Exports) Regulations

Legal Notice 168 of 2025

Legislation as at 24 October 2025

By [Kenya Law](#) and [Laws.Africa](#). Share widely and freely.

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The Sugar (Imports and Exports) Regulations (Legal Notice 168 of 2025)

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SUGAR ACT

THE SUGAR (IMPORTS AND EXPORTS) REGULATIONS

LEGAL NOTICE 168 OF 2025

Commenced on 24 October 2025

Part I – PRELIMINARY

1. Citation

These Regulations may be cited as the Sugar (Imports and Exports) Regulations, 2025.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“consignment” means a sugar crop, sugar or sugar by-product intended for export or import;

“pre-export approval” means a permit issued in accordance with regulation 10;

“pre-import permit” means a permit issued in accordance with regulation 7;

“inspector” means a person appointed as a sugar industry inspector under section 35 of the Act;

“permit” means a pre-export approval or pre-import permit; and

“register” means the register maintained in accordance with regulation 11.

3. Purpose of these Regulations

The purpose of these Regulations is to regulate the importation and exportation of sugar crop, sugar and by-products.

4. Application of these Regulations

These Regulations shall apply to—

- (a) the registration and licensing of importers and exporters; and
- (b) the importation and exportation of sugar crop, sugar and by-products.

Part II – REGISTRATION AND LICENSING

5. Registration of importers

- (1) A person who intends to import a sugar crop, sugar or by-products shall apply to the Board for registration in Form 1 set out in the Schedule.
- (2) An application made under paragraph (1) shall be accompanied by—
 - (a) a copy of the national identity card or valid passport of the applicant;
 - (b) where the applicant is a company—
 - (i) the certificate of incorporation issued under the Companies Act (Cap. 486);

- (ii) the particulars of the shareholders and directors issued by the Registrar of Companies in accordance with section 854 of the Companies Act (Cap. 486);
 - (iii) copies of identity cards or valid passports of the shareholders and directors;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the shareholders and directors issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the directors and shareholders issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the shareholders;
- (c) where the applicant is a society—
- (i) the certificate of registration issued under the Societies Act (Cap. 108);
 - (ii) copies of identity cards or valid passports of the members;
 - (iii) the particulars of the members;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the members issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the members issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the members;
- (d) where the applicant is a co-operative society—
- (i) the certificate of registration issued under the Co-operative Societies Act (Cap. 490);
 - (ii) copies of identity cards or valid passports of the members;
 - (iii) the particulars of the members;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the members issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the members issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the members;
- (e) where the applicant is a partnership—
- (i) the certificate of registration issued under the Registration of Business Names Act (Cap 499);
 - (ii) copies of identity cards or valid passports of the partners;
 - (iii) the particulars of the partners;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the partners issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the partners issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the partners;
- (f) where the applicant is a sole-proprietor, the certificate of registration issued under the Registration of Business Names Act (Cap. 499).
- (g) a Tax Compliance Certificate for the applicant issued under the Tax Procedures Act (Cap. 469B).

- (h) a copy of the trade licence issued to the applicant by the respective County Government;
 - (i) a copy of the audited financial statements of the applicant;
 - (j) a copy of the Kenya Revenue Authority Personal Identification Number of the applicant; and
 - (k) a copy of the Police Clearance Certificate of the applicant.
- (3) Within fourteen days of an application made under paragraph (1), the Board shall—
- (a) issue a certificate of registration in Form 2 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to register the applicant specifying the reasons for its decision.
- (4) A certificate of registration issued under paragraph (3)(a) shall be valid for thirty days.
- (5) An applicant who is aggrieved with the decision of the Board under paragraph (3)(b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (6) The Board shall determine an application made under paragraph (5) within thirty days.

6. Licensing of importers

- (1) A person who intends to import a sugar crop, sugar or a by-product shall apply to the Board for an import licence—
- (a) in Form 3 set out in the Schedule;
 - (b) attach the certificate of registration as an importer issued under regulation 5; and
 - (c) pay two hundred thousand shillings to the Board.
- (2) Within fourteen days of an application made under paragraph (1), the Board shall—
- (a) issue an import licence in Form 4 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to issue the licence specifying the reasons for its decision.
- (3) An import licence issued under paragraph (2)(a) shall be valid for thirty days.
- (4) An applicant who is aggrieved with the decision of the Board under paragraph (2)(b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (5) The Board shall determine an application made under paragraph (4) within thirty days.

7. Pre-import permits

- (1) A person who intends to import a consignment shall apply to the Board for a pre-import permit or pre-export approval in Form 5 set out in the First Schedule.
- (2) An application made under paragraph (1) shall be accompanied by a copy of—
- (a) the applicant's import licence issued under regulation 6;
 - (b) the applicant's proforma invoice indicating the free on board, insurance and freight costs of the consignment;
 - (c) the bill of lading for the consignment;
 - (d) the applicant's import declaration form;

- (e) the single administrative document for the consignment issued under the East African Community Customs Management Regulations, 2010;
 - (f) delivery note for the consignment;
 - (g) the certificate of origin of the consignment;
 - (h) the phyto-sanitary permits issued by the Kenya Plant Health Inspectorate Service for the consignment; and
 - (i) the certificate of pre-export conformity from the country of origin for the consignment.
- (3) Within fourteen days of an application made under paragraph (1), the Board shall—
- (a) issue a pre-import permit in Form 6 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to issue the permit or approval specifying the reasons for its decision.
- (4) A pre-import permit issued under paragraph (3)(a) shall be valid for one year.
- (5) An applicant who is aggrieved with the decision of the Board under paragraph (3) (b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (6) The Board shall determine an application made under paragraph (5) within thirty days.

8. Registration of exporters

- (1) A person who intends to export a sugar crop, sugar or by-products shall apply to the Board for registration in Form 1 set out in the Schedule.
- (2) An application made under paragraph (1) shall be accompanied by—
- (a) a copy of the national identity card or valid passport of the applicant;
 - (b) where the applicant is a company—
 - (i) the certificate of incorporation issued under the Companies Act (486);
 - (ii) the particulars of the shareholders and directors issued by the Registrar of Companies in accordance with section 854 of the Companies Act (Cap. 486);
 - (iii) copies of identity cards or valid passports of the shareholders and directors;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the shareholders and directors issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the directors and shareholders issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the shareholders;
 - (c) where the applicant is a society—
 - (i) the certificate of registration issued under the Societies Act (Cap. 108);
 - (ii) copies of identity cards or valid passports of the members;
 - (iii) the particulars of the members;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the members issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the members issued under the Tax Procedures Act (Cap. 469B);

- (vi) copies of the Police Clearance Certificates of the members;
- (d) where the applicant is a co-operative society—
 - (i) the certificate of registration issued under the Co-operative Societies Act (Cap. 490);
 - (ii) copies of identity cards or valid passports of the members;
 - (iii) the particulars of the members;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the members issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the members issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the members;
- (e) where the applicant is a partnership—
 - (i) the certificate of registration issued under the Registration of Business Names Act (Cap. 499);
 - (ii) copies of identity cards or valid passports of the partners;
 - (iii) the particulars of the partners;
 - (iv) the Kenya Revenue Authority Personal Identification Numbers of the partners issued under the Tax Procedures Act (Cap. 469B);
 - (v) copies of the Tax Compliance Certificates of the partners issued under the Tax Procedures Act (Cap. 469B); and
 - (vi) copies of the Police Clearance Certificates of the partners;
- (f) where the applicant is a sole-proprietor, the certificate of registration issued under the Registration of Business Names Act (Cap. 499);
- (g) a Tax Compliance Certificate for the applicant issued under the Tax Procedures Act (Cap. 469B).
- (h) a copy of the trade licence issued to the applicant by the respective County Government;
- (3) Within fourteen days of an application made under paragraph (1), the Board shall—
 - (a) issue a registration certificate in Form 2 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to register the applicant specifying the reasons for its decision.
- (4) A registration certificate issued under paragraph (3)(a) shall be valid for one year.
- (5) An applicant who is aggrieved with the decision of the Board under paragraph (3) (b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (6) The Board shall determine an application made under paragraph (5) within thirty days.

9. Licensing of exporters

- (1) A person who intends to export a sugar crop, sugar or a by-product shall apply to the Board for export licence—
 - (a) in Form 3 set out in the Schedule;
 - (b) attach the certificate of registration as an exporter issued under regulation 8; and

- (c) pay two hundred thousand shillings to the Board.
- (2) Within fourteen days of an application made under paragraph (1), the Board shall—
 - (a) issue an import or export licence in Form 4 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to issue the licence specifying the reasons for its decision.
- (3) An import or export licence issued under paragraph (2)(a) shall be valid for one year.
- (4) An applicant who is aggrieved with the decision of the Board under paragraph (2) (b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (5) The Board shall determine an application made under paragraph (4) within thirty days.

10. Pre-export approval

- (1) A person who intends to export a consignment shall apply to the Board for a pre-export approval in Form 7 set out in the First Schedule.
- (2) An application made under paragraph (1) shall be accompanied by a copy of—
 - (a) the applicant's export licence issued under regulation 9;
 - (b) the applicant's proforma invoice indicating the free on board, insurance and freight costs of the consignment;
 - (c) the bill of lading for the consignment;
 - (d) the applicant's import declaration form;
 - (e) the single administrative document for the consignment issued under the East African Community Customs Management Regulations, 2010;
 - (f) delivery note for the consignment;
 - (g) the certificate of origin of the consignment;
 - (h) the phyto-sanitary permits issued by the Kenya Plant Health Inspectorate Service for the consignment; and
 - (i) the certificate of pre-import conformity from the country of origin for the consignment.
- (3) Within fourteen days of an application made under paragraph (1), the Board shall—
 - (a) issue a pre-export approval in Form 8 set out in the Schedule to the applicant; or
 - (b) notify the applicant in writing of the decision not to issue the permit or approval specifying the reasons for its decision.
- (4) A pre-export approval issued under paragraph (3)(a) shall be valid for one year.
- (5) An applicant who is aggrieved with the decision of the Board under paragraph (3) (b) may, within fourteen days of being notified of the decision, apply in writing, to the Board for review of the decision specifying reasons for the application.
- (6) The Board shall determine an application made under paragraph (5) within thirty days.

11. Register

The Board shall maintain a register of—

- (a) the certificates of registration issued under regulation 5;

- (b) the certificates of registration issued under regulation 8;
- (c) the import licences issued under regulation 6;
- (d) the export licences issued under regulation 9;
- (e) the pre-import permits issued under regulation 7; and
- (f) the pre-export approvals issued under regulation 10.

Part III – MISCELLANEOUS

12. Submission of returns

- (1) A holder of an export licence or an import licence shall submit monthly returns of the consignments to the Board in Form 9 set out in the Schedule accompanied by—
 - (a) copies of the commercial invoices;
 - (b) copies of the approved customs entry documents; and
 - (c) an inventory of the quantity of stock utilized and stock balances.
- (2) A person who contravenes paragraph (1) commits an offence and shall be liable, on conviction, to the penalty prescribed under section 59(2) of the Act.

SCHEDULE

FORM 1

(r. 5(1), 8(1))

APPLICATION FOR REGISTRATION AS AN IMPORTER OR EXPORTER

1. I/We.....the director/directors/agent of.....(insert the name of business entity) apply for registration as: (tick as appropriate)

(a)	Exporter	Brown sugar	
		White refined sugar	
		By-product of sugar	
		Sugarcane	
(b)	Importer	Brown sugar	
		White refined sugar	
		By-product of sugar	

		Sugarcane	
		Brown sugar	

2. The location of registered office of the applicant:

- (a) land reference number:.....
- (b) County:.....
- (c) Sub County:.....
- (d) Ward:.....
- (e) Village:.....

3. The contacts of the applicant:

- (a) postal address:.....
- (b) telephone number:.....
- (c) email address:.....

4. Particulars of applicant's directors/shareholders or principal officers

<i>Name</i>	<i>Position held</i>	<i>Contact</i>	<i>Nationality</i>

5. Branch Office(s) (if any):

- (a) Registered physical address:.....
- (b) Registered physical address:.....
- (c) Registered physical address:.....

I..... of postal address..... do solemnly and sincerely declare that I am a director/duly authorized agent of.....AND that all the requirements of the Sugar Act, 2024 in respect of matters precedent to the registration as an importer/exporter, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at:.....

Date:.....

Signature:.....

FORM 2

(r. 5(3)(a), 8(3)(a))

CERTIFICATE OF REGISTRATION AS IMPORTER/EXPORTER

Registration number...../

This is to certify that is hereby issued with a certificate of registration as a Sugar Exporter/Importer (Delete appropriately) beginning this day of 20.....

Date:.....

Signature:.....

Chief Executive Officer

Kenya Sugar Board

FORM 3

(r. 6(1)(a), 9(1)(a))

APPLICATION FOR AN IMPORT OR EXPORT LICENCE

1. I/We.....the director/directors/agent of.....(insert the name of business entity) apply for an import or export licence for:(tick as appropriate)

(a)	Export	Brown sugar	
		White refined sugar	
		By-product of sugar	
		Sugarcane	
(b)	Import	Brown sugar	
		White refined sugar	
		By-product of sugar	
		Sugarcane	
		Brown sugar	

I..... of postal address..... do solemnly and sincerely declare that I am a director/duly authorized agent of.....AND that all the requirements of the Sugar Act, 2024 in respect of matters precedent to the application for an import licence or export licence, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at:.....

Date:.....

Signature:.....

FORM 4

(r. 6(1)(a), 9(1)(a))

IMPORT OR EXPORT LICENCE

Licence number:.....

Issued to:.....

(Insert the name and registration number)

This licence is valid from..... to.....

In respect of-

(a)	Export	Brown sugar	
		White refined sugar	
		By-product of sugar	
		Sugarcane	
(b)	Import	Brown sugar	
		White refined sugar	
		By-product of sugar	
		Sugarcane	
		Brown sugar	

Date:.....

Signature:.....

Chief Executive Officer

Kenya Sugar Board

FORM 5

(r. 7(1))

APPLICATION FORM FOR A PRE-IMPORT PERMIT

I/We.....the director/directors/agent of(insert the name of business entity) apply for a pre-import permit for:(tick as appropriate)

Brown sugar		(indicate particulars of consignment)
White refined sugar		
By-product of sugar		
Sugar Crop		

I..... of postal address do solemnly and sincerely declare that I am a director/duly authorized agent of.....AND that all the requirements of the Sugar Act, 2024 in respect of matters precedent to the application for a pre-import permit AND I make this solemn declaration conscientiously believing the same to be true.

Declared at:.....

Date:.....

Signature:.....

FORM 6

(r. 7(3)(a))

PRE-IMPORT PERMIT

Pre-import permit number:.....

Issued to:.....

(Insert name and their import licence number number)

This permit is valid from..... to.....

In respect of:

Brown sugar	
White refined sugar	
By-product of sugar	
Sugarcane	
Quantity consignment to be imported (kilograms)	
County of origin	

Date:.....

Signature:.....

Chief Executive Officer

Kenya Sugar Board

FORM 7

(r. 10(1))

APPLICATION FORM FOR A PRE-EXPORT APPROVAL

I/We.....the director/directors/agent of(insert the name of business entity) apply for a pre-export approval for:(tick as appropriate)

Brown sugar		(indicate particulars of consignment)
White refined sugar		
By-product of sugar		
Sugarcane		

I..... of postal address do solemnly and sincerely declare that I am a director/duly authorized agent of.....AND that all the requirements of the Sugar Act, 2024 in respect of matters precedent to the application for a pre-export approval AND I make this solemn declaration conscientiously believing the same to be true.

Declared at:.....

Date:.....

Signature:.....

FORM 8

(r. 10(3)(a))

PRE-EXPORT APPROVAL

Pre-export approval number:.....

Issued to:.....

(Insert name and their export licence number number)

This permit/approval is valid from..... to.....

In respect of:

Brown sugar	
White refined sugar	

By-product of sugar		
Sugarcane		
Quantity consignment to be imported (kilograms)		
County of destination		

Date:.....

Signature:.....

Chief Executive Officer

Kenya Sugar Board

FORM 9

(r. 12(1))

RETURNS FOR AN EXPORTER/IMPORTER

1. Name of exporter/importer:.....
2. Pre-import permit/pre-export approval number:.....
3. Import licence/export licence number:.....
4. Details of consignments imported or exported:
 - (a) Country of origin/destination:.....
 - (b) Port of origin/destination:.....
 - (c) Manifest Numbers at entry points:.....
 - (d) Quantity:.....
 - (e) Cost insurance and freight value:.....
5. Utilization of imports:
 - (a) Direct human consumption; *(give a full list of purchasers, addresses, physical location and quantities purchased)*

 - (b) Industrial manufacturing *(specify type of products in which sugar was used and production returns for the period)*

 - (c) Raw sugar for processing *(specify quality of raw sugar processed into mill white, refined sugar, brown sugar or other by-products and a full list, addresses and physical locations of all the end users of the processed goods.)*

.....
.....
(d) Full name and address of purchasers or vendors, to whom consignments were sold or bought from:

.....
.....
(e) Name and address of warehouses where consignments were inspected:

.....
.....
(f) Consignment short shipment (if any):

<i>Manifest number</i>	<i>Invoice numbers</i>	<i>Type of consignment (sugarcane, brown sugar, sugar product white refined sugar)</i>	<i>Net weight (kilograms)</i>
a.			
b.			
c.			

Declared at:.....

Date:.....

Signature:.....



KENYA SUGAR BOARD

INTERNAL MEMO

FROM : Chief Executive Officer

TO : Mr. Samuel Kemboi
Ms. Lydia Chacha
Mr. Issac Katialem
Mr. Oscar Kai
Ms. Jane Nekesa
Mr. Joseph Wafula
Mr. Samuel Ngige

DATE : 7th March, 2026

REF : KSB/CEO/ADM/C/12

RE : **NOMINATION TO BE PART OF MULTI-AGENCY ON MSRL SUGAR CONSIGNMENT CONSTITUTED BY THE CABINET SECRETARY OF NATIONAL TREASURY, FINANCE AND PLANNING.**

The Cabinet Secretary of National Treasury, Finance, and Planning vied letter dated 3rd March 2026 and Reference No. TNT/MFFAD/IDE/08(7) directed that a multi-Agency be created to monitor the Sugar Consignment Imported by Mombasa Sugar Refinery Ltd. The mandate of the MAT is to determine the conditions governing the release of the sugar consignment to MSRL and establish appropriate monitoring mechanisms to prevent diversion from its intended purpose.

Following this directive, you are hereby nominated to the multi-Agency Team.

Similarly, the CS National Treasury directed that Kenya Sugar Board shall take the lead and to that end, the multi-Agency Team shall be Chaired by Mr. Samuel Kemboi

The following officers shall form part of the secretariat and will be under the direction of the MAT Team;

1. Purity Makena

2. Cornelius Kiprotich
3. Athman Ramadhan

A handwritten signature in dark ink, appearing to be 'Jude Chesire', with a stylized, cursive script.

JUDE CHESIRE



KENYA SUGAR BOARD

GUIDELINES ON CONTROL OF IMPORTED RAW SUGAR FOR REFINING

Introduction

These Guidelines are issued pursuant to the mandate of the Kenya Sugar Board under the Sugar Act 2024 which empowers the Board to regulate, license, supervise, inspect and enforce compliance across the sugar value chain including sugar imports, processing, storage and marketing.

Purpose

The purpose of these Guidelines is to:

- Ensure that raw sugar imported strictly for refining into white refined sugar is used solely for the intended industrial purpose
- Prevent repackaging, diversion or sale of raw sugar into the domestic market for direct human consumption
- Strengthen traceability, accountability and enforcement throughout the import, refining and distribution chain.

Scope of Application

These Guidelines apply to:

- Licensed sugar importers
- Licensed sugar refineries/millers
- Clearing and forwarding agents
- Transporters and warehouse operators handling imported raw sugar
- All other persons involved in the custody, handling, processing or movement of imported raw sugar for refining.

Definitions (for purposes of these Guidelines)

- **Raw Sugar for Refining:** Sugar imported in crude form that is not for direct human consumption and is intended exclusively for further industrial refining.
- **Diversion:** Any act or omission that results in raw sugar for refining being sold, repackaged, transferred or otherwise made available for direct human consumption.
- **Repackaging:** The breaking down of bulk raw sugar into smaller units or consumer facing packages whether labeled or unlabeled.

- **Mass Balance:** A reconciliation of quantities of raw sugar imported against quantities refined, by-products generated, losses incurred and stocks held.

PRE-IMPORT AND LICENSING CONTROLS

Import Eligibility

Raw sugar for refining shall only be imported by:

- A licensed sugar importer
- A licensed sugar refinery/miller with verifiable refining capacity approved by the Board.

Importation through intermediaries shall only be permitted where the final refinery is clearly identified and licensed by the Board.

Pre-Import Permit Conditions

Every import approval or permit issued by the Board for raw sugar for refining shall expressly state that:

1. The sugar is strictly for refining into white refined sugar
2. The sugar is not for direct human consumption
3. The sugar shall not be repackaged in any form
4. The sugar shall be delivered only to the named refinery or approved bonded facility
5. The consignment shall be subject to consignment-level traceability and mass-balance reporting

PORT OF ENTRY AND CUSTOMS CONTROLS

Verification at Point of Entry

1. All consignments of raw sugar for refining shall be subject to joint verification at the port of entry involving:
 - Kenya Sugar Board
 - Kenya Revenue Authority (Customs)
 - Kenya Bureau of Standards and other relevant agencies as applicable
2. Verification shall confirm:
 - Product description and tariff classification
 - Quantity and packaging format
 - Consistency with the Board issued import approval

Controlled Release

1. Raw sugar for refining shall only be released under:
 - Direct transit to the named refinery or
 - Transfer to a licensed bonded warehouse or manufacture under bond facility linked to the refinery
2. No release shall be permitted for general warehousing or open market distribution.

TRANSPORT AND STORAGE CONTROLS

Transport Controls

1. All consignments shall be transported under:
 - Tamper-evident seals
 - Approved transport routes and timelines
2. Any seal tampering or route deviation shall be reported immediately to the Board and Customs.

Storage Controls

1. Raw sugar shall be stored in designated raw sugar storage areas clearly segregated from:
 - Refined sugar
 - Packaging materials
 - Repackaging facilities
2. Storage areas shall:
 - Be access-controlled
 - Be clearly marked "RAW SUGAR – NOT FOR DIRECT CONSUMPTION"
 - Not permit any form of repackaging or retail preparation.

REFINING AND PRODUCTION CONTROLS

Mandatory Mass-Balance Accounting

1. Every refinery shall maintain consignment-specific mass-balance records showing:
 - Quantity of raw sugar received
 - Quantity refined into white sugar
 - Process losses and by-products
 - Closing stocks
2. Mass-balance returns shall be submitted to the Board in the prescribed format.

Batch Traceability

1. Refined sugar batches shall be traceable to specific raw sugar consignments.
2. Production logs, laboratory records and dispatch records shall be retained for inspection for a minimum period prescribed by the Board.

LABORATORY TESTING AND ANALYSIS CONTROLS

Pre-Release Laboratory Testing at Port of Entry

1. All consignments of raw sugar for refining without a CoC shall be subject to mandatory laboratory testing and analysis prior to release from the port of entry at the cost of the importer.
2. Sampling and testing shall be conducted by:
 - The Kenya Bureau of Standards (KEBS) or
 - Any other Board-approved and accredited laboratory in coordination the Board.
3. Laboratory analysis shall confirm that the sugar:
 - Meets the chemical and physical parameters of raw sugar Intended for industrial refining and
 - Is not suitable for direct human consumption in its imported form.

Minimum Analytical Parameters

Laboratory testing shall include, but not be limited to, analysis of:

- Polarization (Pol %)
- Color (ICUMSA units)
- Moisture content
- Ash and insoluble matter
- Presence of impurities or contaminants
- Any other parameter as may be prescribed by the Board from time to time.

Testing Outcomes and Regulatory Action

1. Only consignments that meet the prescribed raw sugar specifications for refining shall be authorized for release under controlled transit.
2. Where laboratory results indicate that the sugar:
 - Falls within parameters of direct consumption sugar or
 - Is Inconsistent with declared product description or permit conditions

The Board shall:

- Withhold clearance

- Order re-exportation and/or
- Institute enforcement action in accordance with the Sugar Act, 2024.

In-Process and Post-Refining Testing

1. Licensed refineries shall conduct **routine in-process laboratory testing** to:
 - Verify conformity of refining operations
 - Support batch traceability and mass-balance reconciliation
2. Finished white refined sugar shall be tested to confirm compliance with:
 - Applicable Kenya standards, and
 - Board-issued quality and safety requirements prior to distribution.

Retention of Laboratory Records

1. All laboratory test reports, certificates of analysis and sampling records shall be:
 - Maintained by the importer and refinery
 - Linked to specific consignments and production batches
 - Retained for a minimum period as prescribed by the Board
2. Such records shall be made available to authorized officers upon request.

Independent Verification

The Board reserves the right to:

- Conduct independent sampling and confirmatory testing at any point along the supply chain.
- Use laboratory findings as evidence in enforcement

REPORTING, INSPECTIONS AND MARKET SURVEILLANCE

Mandatory Returns

Licensed importers and refineries shall submit:

- Monthly import, production, sales and stock returns
- Ad hoc returns as may be required by the Board

Inspections and Audits

1. The Board shall conduct:
 - Routine inspections of refineries, warehouses and storage facilities
 - Unannounced audits based on risk profiling.
2. Inspections shall include physical stock verification, record reviews, and process observation.

Market Surveillance

The Board shall undertake market surveillance in collaboration with other enforcement agencies to detect:

- Raw sugar sold as brown or consumer sugar
- Unlabeled or suspicious bulk sugar in retail or wholesale outlets.

ENFORCEMENT

Enforcement Measures

Where non-compliance or diversion is detected, the Board may:

1. Suspend or revoke import approvals and licenses
2. Impose enhanced inspection and escort requirements on future consignments
3. Issue compliance or corrective directives
4. Recommend prosecution or other legal action in accordance with the Sugar Act, 2024.

Offences

Any person who:

- Diverts raw sugar into the domestic market
- Repackages raw sugar for retail or consumption
- Provides false or misleading information
- Obstructs an authorized officer

Commits an offence under the Sugar Act, 2024 and shall be liable to the prescribed penalties.

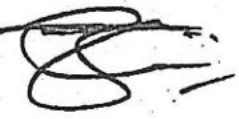
Prepared By: Regulations and Compliance Directorate

Signed By:


Samuel Kemboi
**Director Regulations &
Compliance Directorate**

3rd December 2025
Date

**Approved
By:**


Jude Chesire
Ag. Chief Executive Officer

3rd December 2025
Date



THE REPUBLIC OF KENYA

LAWS OF KENYA

THE MISCELLANEOUS FEES AND LEVIES ACT

CAP. 469C

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Kenya

Miscellaneous Fees and Levies Act

Cap. 469C

Legislation as at 27 December 2024

Note: This is not the latest available version of this Act. [View it online.](#)

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Miscellaneous Fees and Levies Act (Cap. 469C)

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MISCELLANEOUS FEES AND LEVIES ACT

CAP. 469C

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[Amended by Finance Act, 2017 (Act No. 15 of 2017) on 1 January 2018]
[Amended by Finance Act, 2018 (Act No. 10 of 2018) on 1 July 2018]
[Amended by Finance Act, 2018 (Act No. 10 of 2018) on 1 October 2018]
[Amended by Finance Act, 2019 (Act No. 23 of 2019) on 7 November 2019]
[Amended by Business Laws (Amendment) Act, 2020 (Act No. 1 of 2020) on 18 March 2020]
[Amended by Tax Laws (Amendment) Act, 2020 (Act No. 2 of 2020) on 25 April 2020]
[Amended by Finance Act, 2020 (Act No. 8 of 2020) on 30 June 2020]
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[Amended by Finance Act, 2021 (Act No. 8 of 2021) on 1 July 2021]
[Amended by Finance Act, 2021 (Act No. 8 of 2021) on 1 January 2022]
[Amended by Finance Act, 2022 (Act No. 22 of 2022) on 1 July 2022]
[Revised by 24th Annual Supplement (Legal Notice 221 of 2023) on 31 December 2022]
[Amended by Finance Act, 2023 (Act No. 4 of 2023) on 1 July 2023]
[Amended by Finance Act, 2023 (Act No. 4 of 2023) on 1 September 2023]
[Amended by Tax Laws (Amendment) Act, 2024 (Act No. 12 of 2024) on 27 December 2024]

An Act of Parliament to provide for the imposition of duties, fees and levies on imported or exported goods and for connected purposes

Part I – PRELIMINARY

1. Short title

This Act may be cited as the Miscellaneous Fees and Levies Act.

2. Interpretation

(1) In this Act, unless the context otherwise requires—

"**Authority**" means Kenya Revenue Authority established by the Kenya Revenue Authority Act (Cap. 469);

"**authorised officer**" means any officer appointed under section 3;

"**Cabinet Secretary**" means the Cabinet Secretary for the time being responsible for finance;

"**Commissioner**" means the Commissioner-General appointed under the Kenya Revenue Authority Act (Cap. 469) or any other Commissioner to whom powers or functions have been delegated under that Act;

"**concessional loan**" means a loan with at least twenty-five percent grant element;

"**customs value**" for the purposes of ascertaining the value for charging, means—

- (a) the import declaration fee or railway development levy, the import value of goods as appraised by Customs for use as the basis for assessing the amount of import duty; or
- (b) the export levy, the export value of the goods;

"**East African Community Partner States**" means the Republics of Burundi, Rwanda, Uganda and the United Republic of Tanzania;

"**export**" means to take or cause to be taken out of Kenya to a foreign country to an export processing zone or special economic zone;

"**export processing zone**" means an export processing zone designated as such under the Export Processing Zones Act (Cap. 517);

"**importer**" in relation to goods, means a person who owns the goods, or any other person who is, for the time being, in possession of or beneficially interested in the goods at the time of importation;

"**official aid funded project**" means a project funded by means of a grant or concession loan in accordance with an agreement between the Government of Kenya and any foreign government, agency, institution, foundation, organization or any other aid agency;

"**person**" means an individual, company, partnership, association of persons, trust, estate, the Government, a foreign government or a political subdivision of the Government or foreign government; and

"**Special Economic Zone**" has the meaning assigned to it under the Special Economic Zones Act (Cap. 517A).

- (2) For the purpose of this Act, goods shall be classified by reference to the nomenclature set out in Annex 1 to the Protocol on the Establishment of the East African Community Customs Union and in interpreting the Annex; the general rules of interpretation set out therein shall apply.

[Act No. 10 of 2018, s. 49, Act No. 23 of 2019, s. 36.]

Part II – ADMINISTRATION

3. Functions and powers of the Commissioner and other officers

- (1) The Commissioner shall be responsible for the control and collection of, and accounting for, duties, fees and levies paid under this Act and shall, subject to the direction and control of the Cabinet Secretary, have the superintendence of all matters relating thereto.
- (2) The Commissioner shall appoint such officers as may be necessary for the administration of this Act.
- (3) The Commissioner may authorize any officer appointed under this section to perform any of the functions of the Commissioner under this Act or the regulations, other than the functions under subsection (2).
- (4) Every authorised officer appointed under this section shall enforce, and ensure due compliance with, the provisions of this Act and the regulations, and shall make all due inquiries in relation thereto.
- (5) Every authorised officer appointed under this section shall, on demand, produce such documents establishing his or her identity as may be approved by the Commissioner.
- (6) Every authorised officer shall, in carrying out the provisions of this Act, regard and deal with all documents and information relating to fees and charges and all confidential instructions in respect of the administration of this Act which may come into his possession or to his knowledge in the course of his duties as confidential.
- (7) Any decision made and any notice or communication issued or signed by any authorised officer may be withdrawn or amended by the Commissioner or by the authorised officer concerned, and shall, until it has been so withdrawn, be deemed to have been made, issued or signed by the Commissioner.

4. Authorised officers to have powers of police officers

For the purposes of carrying out the provisions of this Act, every authorised officer shall, in the performance of his or her duties, have all the powers, rights, privileges and protection of a police officer.

Part III – IMPOSITION OF LEVIES AND FEES

5. Imposition of export levy

- (1) There shall be paid a levy to be known as the export levy, on all goods specified in the First Schedule.
- (2) The levy shall, where more than one rate is specified, be the higher of the *ad valorem* or the specific rate specified in the First Schedule and shall be paid by the exporter at the time of entering the goods for export.
- (3) The *ad valorem* rate shall be based on the custom value of the goods.
- (4) Deleted by Act No. 4 of 2023, s. 69.

[Act No. 4 of 2023, s. 69.]

6. Exemption

The provisions of section 5 shall not apply to goods exported to the East African Community Partner States.

7. Import declaration fee

- (1) There shall be paid a fee to be known as the import declaration fee, on all goods imported into the country for home use.
- (2) The fee shall be at the rate of two point-five per cent of the customs value of the goods and shall be paid by the importer of such goods at the time of entering the goods for home use.
- (2A) Deleted by Act No. 4 of 2023, s. 68 (b).
- (3) Despite subsection (1)—
 - (a) import declaration fee shall not be charged on the goods specified in Part A of the Second Schedule when imported or purchased before clearance through customs;
 - (b) deleted by Act No. 4 of 2023, s. 68 (c).
- (4) An importer of goods other than goods specified in Part A of the Second Schedule shall complete the prescribed import declaration form.
- (5) An importer shall present a copy of the import declaration form completed under subsection (4) to the Commissioner at the time of entering the goods for home use.
- (6) Out of the fee collected under subsection (2), ten per cent shall be paid into a Fund established and managed in accordance with the Public Finance Management Act (Cap. 412A)
- (7) The monies in the Fund under subsection (6) shall be used for the payment of Kenya's contributions to the African Union and any other international organisation to which Kenya has a financial obligation. [Act No. 23 of 2019, s. 37, Act No. 2 of 2020, Sch., Act No. 8 of 2020, s. 20, Act No. 22 of 2022, s. 46, Act No. 4 of 2023, s. 68.]

7A. Export and investment promotion levy

- (1) There shall be paid a levy to be known as the export and investment promotion levy, on all goods specified in the Third Schedule, imported into the country for home use.
- (2) The levy shall be at the rates specified in the Third Schedule and shall be paid by the importer of such goods at the time of entering the goods into the country for home use.
- (3) The purpose of the levy shall be to provide funds to boost manufacturing, increase exports, create jobs, save on foreign exchange and promote investments.
- (4) The export and investment promotion levy shall not be charged on goods originating from East African Community Partner States that meet the East African Community Rules of Origin.
- (5) The funds collected from the levy shall be paid into a fund established and managed in accordance with the Public Finance Management Act (Cap. 412A).

[Act No. 4 of 2023, s. 70.]

8. Railway development levy

- (1) There shall be paid a levy to be known as the railway development levy, on all goods imported into the country for home use.
 - (2) The levy shall be at the rate of two per cent of the customs value of the goods and shall be paid by the importer of such goods at the time of entering the goods into the country for home use.
- (2A) Deleted by Act No. 4 of 2023, s. 71 (b).
- (3) The purpose of the levy shall be to provide funds for the construction and operation of a standard gauge railway network in order to facilitate the transportation of goods.
 - (4) The Cabinet Secretary shall, by regulations, establish a railway development levy fund into which all the proceeds of the levy shall be paid.
 - (5) The fund referred to in subsection (4) shall be established, managed, administered or wound up in accordance with section 24 of the Public Finance Management Act (Cap. 412A) and the regulations made under that Act.
 - (6) No levy shall be charged in respect of the goods specified in Part B of the Second Schedule when imported or purchased before clearance through customs.

[Act No. 23 of 2019, s. 38, Act No. 2 of 2020, Sch, Act No. 22 of 2022, s. 47, Act No. 4 of 2023, s. 71, Act No. 12 of 2024, s. 28]

8A. Anti-adulteration levy

- (1) There shall be paid a levy to be known as the anti-adulteration levy, on all illuminating kerosene imported into the country for home use.
- (2) The levy shall be at the rate of eighteen shillings per litre of the customs value of the illuminating kerosene and shall be paid by the importer at the time of entering the illuminating kerosene into the country.
- (3) The Commissioner shall refund the levy on the written application of an importer where the Commissioner is satisfied that the levy was paid in respect of illuminating kerosene that has subsequently been used by a licensed or registered manufacturer to manufacture paint, resin or shoe polish.
- (4) The levy shall not apply to a licenced or registered manufacturer of paint, resin or shoe polish.

[Act No. 10 of 2018, s. 50, Act No. 23 of 2019, s. 39, Act No. 8 of 2021, s. 49.]

8B. Processing fees on duty free motor vehicles

- (1) There shall be a fee to be known as the processing fee on all motor vehicles excluding motorcycles imported or purchased duty free prior to clearance through customs under the Fifth Schedule to the East African Community Customs Management Act, 2004.
- (2) The fee shall be Kenya shillings ten thousand applicable to all motor vehicles excluding motorcycles imported or purchased duty free specified in paragraphs 4, 5, 6, 7, 8, 9, 10 and 11 of Part A, and paragraph 3 and 5 of Part B under the Fifth Schedule to the East African Community Customs Management Act, 2004.

[Act No. 2 of 2020, Sch.]

9. Application of East African Community Customs Management Act, 2004

The provisions of the East African Community Customs Management Act, 2004, relating to the determination of value of imported goods, collection and enforcement of the payment of duty shall apply for the purposes of assessment, collection and enforcement of the payment of import declaration fee, railway development levy and export levy.

9A. Duty on goods for home use from an export processing zone enterprise

Notwithstanding the import duties payable under section 110 of the East African Community Customs Management Act, 2004, an additional duty at a rate of two point five per cent of the customs value shall be payable in respect of goods entered for home use from an export processing zones enterprise.

Provided that this section shall not apply to currency notes and coins imported by the Central Bank of Kenya.

[Act No. 8 of 2020, s. 21, Act No. 22 of 2022, s. 48.]

9B. Application of Tax Procedures Act (Cap. 469B) to excess tax refunds

The provisions of section 47 of the Tax Procedures Act (Cap. 469B) shall apply for the purposes of—

- (a) an application for refunds, ascertainment and repayment of fees and levies overpaid or paid in error under this Act; or
- (b) the determination by the Commissioner of penalties and interests on fees and levies that remain unpaid.

[Act No. 8 of 2021, s. 50, Act No. 22 of 2022, s. 49.]

10. Formalities may be carried out by information technology

- (1) Subject to such conditions as the Commissioner shall prescribe, formalities or procedures under this Act may be carried out by use of information technology in the customs computerized system.
- (2) The provisions of the East African Community Customs Management Act, 2004, relating to registration of users, access and use on the customs computerized system shall apply for the purposes of carrying out formalities and procedures under this Act.

Part IV – MISCELLANEOUS PROVISIONS**11. Offence**

- (1) A person who contravenes the provisions of this Act commits an offence.

- (2) A person convicted of an offence under this Act, where no specific penalty is provided, shall be liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years, or to both.

12. Regulations

The Cabinet Secretary may make regulations for the better carrying out of the provisions of this Act.

FIRST SCHEDULE [s. 5(1)]

GOODS SUBJECT TO EXPORT LEVY

[Act No. 15 of 2017, s. 58, Act No. 22 of 2022, s. 50, LN 177 of 2022, LN 203 of 2022, Act No. 4 of 2023, s. 72.]

PART I

<i>Tariff No.</i>	<i>Tariff Description</i>	<i>Export Levy Rate</i>
1703	Molasses resulting from the extraction or refining of sugar	20% of the customs value
2601	Iron ores and concentrates, including roasted iron pyrites	USD 175 per tonne
4101.20.00	Whole unsplit hides and skins, of a weight per skin not exceeding 8 kg when simply dried, 10kg when dry salted, or 16kg when fresh, wet salted or otherwise preserved	50% or USD 0.32 whichever is higher
4102.21.00	Raw skins of sheep or lambs (pickled, but not tanned, parchment-dressed or further prepared), without wool on whether or not split, other than those excluded by Note 1(c) to Chapter 41.	50% or USD 0.32 whichever is higher
4102.29.00	Other raw skins of sheep or lamb (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), without wool on, whether or not split, other than those excluded by Note (c) to Chapter 41	50% or USD 0.32 whichever is higher
4103.20.00	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not debarred or split, other than those excluded by Note 1 (b) or (c) to this Chapter, of reptiles.	50% or USD 0.32 whichever is higher.
4103.30.00	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), but not debarred or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter, of swine.	50% or USD 0.32 whichever is higher

4103.90.00	Other raw hides and skins other than of reptiles, swine, goats or kids.	50% or USD 0.32 whichever is higher.
4104.19.00	Other tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared, in the wet state (including wet - blue).	50% or USD 0.32 whichever is higher
4301.60.00	Raw furskins of fox, whole, with or without head, tail or paws.	50% or USD 0.32 whichever is higher
4101.50.00	Whole hides and skins, of weight exceeding 16 kg.	50% or USD 0.32 whichever is higher
4101.90.00	Other, including butts, bends and bellies.	50% or USD 0.32 whichever is higher
4102.10.00	Raw skins of sheep or lamb (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), with wool on, whether or not split, other than those excluded by Note 1(c) to Chapter 41.	50% or USD 0.32 whichever is higher
4301.10.00	Raw furskins of mink, whole, with or without head, tail or paws.	50% or USD 0.32 whichever is higher
4301.30.00	Raw furskins of lamb, the following: Astrakhan, broadtail, Caracul, Persian and similar lamb, Indian, Chinese, Mongolian or Tibetan lamb, whole, with or without head, tail or paws.	50% or USD 0.32 whichever is higher
4301.80.00	Other raw furskins, whole, with or without head, tail or paws.	50% or USD 0.32 whichever is higher
4301.90.00	Heads, tail, paws, and other pieces or cuttings, suitable for furriers' use.	50% or USD 0.32 whichever is higher
4302.11.00	Whole skins, with or without head, tail or paws, not assembled, of mink.	50% or USD 0.32 whichever is higher
4302.19.00	Other whole skins, with or without head, tail or paws, not assembled.	50% or USD 0.32 whichever is higher
4302.20.00	Heads, tails, paws and other pieces or cuttings, not assembled.	50% or USD 0.32 whichever is higher
4302.30.00	Whole skins and pieces or cuttings thereof, assembled.	50% or USD 0.32 whichever is higher

7112.30.00	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds of a kind used principally for the recovery of precious metal of ash containing precious metal or precious metal compounds.	20%
7112.91.00	Other waste and scrap of precious metal or precious metal compounds of a kind used principally for the recovery of precious metal of gold including metal clad with gold.	20%
7112.92.00	Other waste and scraps of precious metal or precious metal compounds of a kind used principally for the recovery of precious metal of platinum, including metal clad with platinum.	20%
7112.99.00	Other waste and scrap of precious metal or metal clad with precious metal, other waste and scrap containing precious metal compounds, of a kind used principally for the recovery of precious metal.	20%
7204.10.00	Waste and scrap of cast of iron.	20%
7204.29.00	Waste and scrap of other alloy or steel.	20%
7204.30.00	Waste and scrap of tinned iron steel.	20%
7204.41.00	Turnings, shavings, chips, milling waste, sawdust, fillings, trimmings and stampings, whether or not in bundles, or iron or steel.	20%
7204.49.00	Other waste and scrap or iron or steel	20%
7204.50.00	Remelting scrap ingots	20%
7205.10.00	Granules of pig iron, spiegeleisen, iron or steel.	20%
7902.00.00	Zinc waste and scrap.	20%
8002.00.00	Tin waste and scrap.	20%
8102.94.00	Unwrought molybdenum including bars and rods obtained simply by sintering; waste and scrap.	20%
8102.97.00	Waste and scrap of molybdenum	20%
8103.30.00	Waste and scrap of tantalum	20%

8104.20.00	Waste of scrap of magnesium	20%
8105	Cobalt mattes and other intermediate products of cobalt metallurgy; cobalt and articles thereof, including waste and scrap	20%
8105.30.00	Waste and scrap of cobalt matters.	20%
8106.10.00	Bismuth and articles thereof including waste and scrap containing more than 99.99% of bismuth, by weight	20%
8106.90.00	Other bismuth and articles thereof including waste and scrap	20%
8109.31.00	Waste and scrap of zirconium containing less than 1 part hafnium to 500 parts zirconium by weight	20%
8112.61.00	Waste and scrap of cadmium.	20%
8108.30.00	Waste and scrap of titanium.	20%
8110.20.00	Waste and scrap of antimony.	20%
8112.13.00	Waste and scrap of beryllium.	20%
8112.22.00	Waste and scrap of chromium.	20%
8112.52.00	Waste and scrap of thallium.	20%
8112.92.00	Unwrought waste and scrap; powders.	20%

PART II

Part I shall not apply to exports to Export Processing Zones or Special Economic Zones.

[Act No. 15 of 2017, s. 58.]

PART III

[s. 5(4)]

- (1) The specific rates of export levy on goods specified in Part I of this schedule shall be adjusted for inflation at a date not later than the 1st October of every financial year in accordance with the formula specified in paragraph (2).

- (2) Each rate of export levy specified in column 3 of the table in Part I of this schedule shall be replaced by the rate of export levy computed by reference to the following formula—

$A \times B$

Where—

A is the rate of export levy on the day immediately before the adjustment day; and

B is the adjustment factor for the adjustment day calculated as one plus annual average rate of inflation of the preceding financial year.

- (3) For the purpose of this Part—

“adjustment day” means 1st July of every year;

“inflation” means the average annual inflation rate in a financial year;

“financial year” means the period of 12 months ending on 30th June of every year.

SECOND SCHEDULE [s. 7(3)(a)]

GOODS EXEMPT FROM IMPORT DECLARATION FEE AND RAILWAY DEVELOPMENT LEVY

[Act No. 11 of 2017, Sch., Act No. 15 of 2017, s. 59, Act No. 10 of 2018, s. 51, Act No. 1 of 2020, ss. 42 & 43, Act No. 2 of 2020, Sch., Act No. 8 of 2020, s. 22, Act No. 8 of 2021, s. 51, Act No. 22 of 2022, s. 51, Act No. 4 of 2023, s. 73, Act No. 4 of 2023, s. 71, Act No. 12 of 2024, s. 29]

PART A

GOODS EXEMPT FROM IMPORT DECLARATION FEE WHEN IMPORTED OR PURCHASED BEFORE CLEARANCE THROUGH CUSTOMS

The following goods are exempt from payment of import declaration fee when imported or purchased before clearance through customs—

- (i) goods destined for approved duty free shops;
- (ii) goods destined for approved Export Processing Zones or Special Economic Zones enterprises;
- (iii) goods destined for approved enterprises manufacturing under bond;
- (iv) accompanied or unaccompanied used personal effects;
- (v) ammunition, weapons or implements of war imported by the Government;
- (vi) household and personal effects including motor vehicles, provided such motor vehicles qualify for exemption from duty under the Fifth Schedule to the East African Community Customs Management Act, 2004;
- (vii) posted parcels, excluding goods imported for trade;
- (viii) *deleted by Act No. 2 of 2020, Sch.;*
- (ix) *deleted by Act No. 2 of 2020, Sch.;*
- (x) goods for official use by diplomatic and consular missions, the United Nations and its agencies, and institutions or organizations exempted under the Privileges and Immunities Act (Cap.179);

- (xi) goods destined for official aid-funded projects;
- (xii) currency notes and coins of current issues imported by the Central Bank of Kenya or by a financial institution with the approval of the Central Bank of Kenya; postage, revenue and excise stamps;
- (xiii) explosive and pyrotechnic products imported by the Government;
- (xiv) gifts by foreign Governments or international organizations to charities and foundations;
- (xv) All goods and parts thereof of Chapter 88;
- (xva) any other aircraft spare parts including aircraft engines imported by aircraft operators or persons engaged in the business of aircraft maintenance upon recommendation by the competent authority responsible for civil aviation;
- (xvi) aircraft catering stores for use in an aircraft owned and operated by a designated airline;
- (xvii) currency notes, coins, travellers cheques and bullion;
- (xviii) rail locomotives, wagons (86.0 to 86.06) and rail containers (86.09);
- (xix) ships weighing 250 tonnes or more;
- (xx) goods from the East African Community Partner States that meets the East African Community Rules of origin;
- (xxi) *deleted by Act No. 2 of 2020, Sch.;*
- (xxia) *deleted by Act No. 2 of 2020, Sch.;*
- (xxib) goods imported or purchased for the construction of bulk storage facilities for supporting the Standard Gauge Railway operations with a minimum storage capacity of one hundred thousand metric tonnes of supplies as approved by the Cabinet Secretary responsible for transport;
- (xxii) *deleted by Act No. 8 of 2020, s. 22(a)(ii);*
- (xxiii) *deleted by Act No. 8 of 2020, s. 22(a)(iii);*
- (xxv) All goods including material supplies, equipment, machinery and motor vehicles for the official use by the Kenya Defence Forces, the National Intelligence Service, the Defence Forces Welfare Services and National Police Service;
- (xxva) inputs and raw materials imported by manufacturers of pharmaceutical products on the recommendation of the Cabinet Secretary responsible for matters relating to health;
- (xxvb) goods imported for use in the construction and maintenance of human vaccine manufacturing plants as approved by the Cabinet Secretary for the National Treasury on recommendation of the Cabinet Secretary for Health;
- (xxvc) goods, inputs and raw materials imported by a company which is—
 - (a) engaged in business under a special operating framework arrangement with the Government; and
 - (b) incorporated for purposes of undertaking the manufacture of human vaccines or other manufacturing activities including refining; and whose capital investment is at least ten billion shillings,subject to approval of the Cabinet Secretary for the National Treasury, on recommendation of the Cabinet Secretary for health; and
- (xxvi) such other goods the exemption of which the Cabinet Secretary may determine is in the public interest, or to promote investment and the value of which shall not be less than five billion shillings;
- (xxvii) goods imported for official use by international and regional organizations that have bilateral or multilateral agreements with Kenya;

- (xxviii) liquefied petroleum gas;
- (xxix) the supply of denatured ethanol of tariff number 2207.20.00;
- (xxx) bioethanol vapour (BEV) stoves classified under HS Code 7321.12.00 (cooking appliances and plate warmers for liquid fuel); and
- (xxxi) goods of Chapter 5407 and Chapter 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for industry.

PART B(s. 8(6))

GOODS EXEMPT FROM THE RAILWAY DEVELOPMENT LEVY WHEN IMPORTED OR PURCHASED BEFORE CLEARANCE THROUGH CUSTOMS

The railway development levy shall not apply to goods imported or purchased before clearance through customs —

- (i) for the implementation of an official aid funded project;
- (ii) goods imported for official use by diplomatic and consular missions, United Nations and its agencies, and institutions or organizations exempted under the Privileges and Immunities Act;
- (iii) *deleted by Act No. 4 of 2023, s.73*;
- (iv) from the East African Community Partner States provided that they meet the East African Community Rules of origin;
- (v) *deleted by Act No. 2 of 2020, Sch.*;
- (va) *deleted by Act No. 2 of 2020, Sch.*;
- (vb) goods imported or purchased for the construction of bulk storage facilities for supporting the Standard Gauge Railway operations with a minimum storage capacity of one hundred thousand metric tonnes of supplies as approved by the Cabinet Secretary responsible for transport;
- (vi) *deleted by Act No. 8 of 2020, s. 22(b)(i)*;
- (vii) *deleted by Act No. 2 of 2020, Sch.*;
- (viii) currency notes and coins imported by the Central Bank of Kenya;
- (viia) inputs and raw materials imported by manufacturers of pharmaceutical products on the recommendation of the Cabinet Secretary responsible for matters relating to health;
- (viib) goods imported for use in the construction and maintenance of human vaccine manufacturing plants as approved by the Cabinet Secretary for the National Treasury on recommendation of the Cabinet Secretary for Health;
- (viic) goods, inputs and raw materials imported by a company which is—
 - (a) engaged in business under a special operating framework arrangement with the Government; and
 - (b) incorporated for purposes of undertaking the manufacture of human vaccines or other manufacturing activities including refining; and whose capital investment is at least ten billion shillings,
 subject to approval of the Cabinet Secretary for the National Treasury, on recommendation of the Cabinet Secretary for health;

- (ix) All goods including material supplies, equipment, machinery and motor vehicles for the official use by the Kenya Defence Forces, the National Intelligence Service, the Defence Forces Welfare Services and National Police Service;
- (x) such other goods the exemption of which the Cabinet Secretary may determine is in the public interest, or to promote investment and the value of which shall not be less than five billion shillings.
- (xi) goods imported for official use by international and regional organizations that have bilateral or multilateral agreements with Kenya;
- (xii) liquefied petroleum gas;
- (xiii) all goods and parts thereof of Chapter 88;
- (xiv) the supply of denatured ethanol of tariff number 2207.20.00;
- (xv) bioethanol vapour (BEV) stoves classified under HS Code 7321.12.00 (cooking appliances and plate warmers for liquid fuel);
- (xvi) any other aircraft spare parts including aircraft engines imported by aircraft operators or persons engaged in the business of aircraft maintenance upon recommendation by the competent authority responsible for civil aviation; and
- (xxvii) goods of chapter 5407 and 6309 imported as raw materials for manufacture of textile products in Kenya upon recommendation of the Cabinet Secretary responsible for investment, trade and industry.

THIRD SCHEDULE [s. 7A(1)]

[Act No. 4 of 2023, s. 74, Act No. 12 of 2024, s. 30.]

<i>Tariff No.</i>	<i>Tariff Description</i>	<i>Export and investment promotion levy rate</i>
2523.10.00	Cement Clinkers	17.5 % of the customs value
7207.11.00	Semi-finished products of iron or non-alloy steel containing, by weight, <0.25% of carbon; of rectangular (including square) cross-section, the width measuring less than twice the thickness	17.5 % of the customs value
7213.91.10	Bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils of circular cross-section measuring less than 14mm in diameter of cross section measuring less than 8 mm	17.5 % of the customs value
7213.91.90	Bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils of circular cross-section measuring less than 14mm in diameter; other	17.5 % of the customs value
4804.11.00	Uncoated kraft paper and paperboard, in rolls or sheets; Kraft liner; Unbleached	10 % of the customs value

4804.21.00	Sack kraft paper; Unbleached	10 % of the customs value
4804.31.00	Other kraft paper and paperboard weighing 150 g/m2 or less:Unbleached	10 % of the customs value
4819.30.00	Sacks and bags, having a base of a width of 40 cm or more.	10 % of the customs value
4819.40.00	Other sacks and bags, including cones.	10 % of the customs value
4804.29.00	Sack kraft bleached	10 % of the customs value
4804.39.00	Sack kraft bleached	10 % of the customs value



**REPUBLIC OF KENYA
THE NATIONAL TREASURY**

MINUTES OF THE MEETING HELD TO DELIBERATE ON THE IMPORTATION OF 27,839MT OF SUGAR BY MOMBASA SUGAR REFINERY LIMITED AT THE NATIONAL TREASURY BUILDING, 14TH FLOOR LARGE BOARD ROOM ON MONDAY 23RD FEBRUARY 2026 | TIME: 11:30 A.M. – 1:00 P.M.

ATTENDANCE

No.	Name	Institution
1.	Hon. FCPA John Mbadi, EGH	Cabinet Secretary, The National Treasury (Chairman)
2.	Dr. Juma Mukhwana, CBS	Principal Secretary, State Department for Industry
3.	Raghubir Singh Chatthe	Managing Director, Mombasa Sugar Refinery
4.	Esther Ngari, EBS	Managing Director, Kenya Bureau of Standards
5.	Humphrey Wattanga, CBS	Commissioner General, Kenya Revenue Authority
6.	Dr. Lilian Nyawanda	Commissioner, Customs and Border Control, KRA
7.	Doreen Mbingi	Ag. Commissioner, Investigations and Enforcement, KRA
8.	Faith Kiara	Chief Manager, Investigations, KRA
9.	Erick Ochieng	Chief Manager, Kenya Bureau of Standards
10.	Abdirahman Yasin	Representative, Mombasa Sugar Refinery
11.	Richard Magero	Director, Kenya Sugar Board
12.	Samuel Kemboi	Director, Kenya Sugar Board
13.	Albert Mwenda, MBS	Director General, Budget, Fiscal and Economic Affairs, The National Treasury

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14.	Musa Kathanje, OGW	Director, Macro and Fiscal Affairs, The National Treasury
15.	Joseph Ngugi	Senior Deputy Director, Macro and Fiscal Affairs, The National Treasury
16.	Godfrey Isiye	Director, Communications, The National Treasury

AGENDA

1. Introductions
2. Submissions by Mombasa Sugar Refinery Limited
3. Contributions by State Department of Industry and Agencies
4. Discussions
5. Way Forward
6. Any Other Business (AOB)

MINUTES OF DISCUSSIONS

Minute Ref.	Agenda/Resolutions
MIN 01/23.02.26	Introductions
Introductions	▪ The meeting commenced at 11:30a.m. The Cabinet Secretary welcomed all the invited participants from the following institutions: ○ The National Treasury; ○ State Department for Industry ○ Kenya Bureau of Standards (KEBS) ○ Kenya Revenue Authority (KRA) ○ Kenya Sugar Board (KSB) ○ Mombasa Sugar Refinery Limited The Cabinet Secretary (CS) noted that this matter on importation of raw sugar by Mombasa Sugar Refinery Ltd had been brought to his attention. He indicated that the Company on 23rd February 2026 sent a letter to the National Treasury on a matter of urgent national and industrial importance relating to the importation and clearance of raw cane sugar currently held at the Port of Mombasa despite full regulatory compliance. He requested the meeting to focus on:

Minute Ref.	Agenda/Resolutions
	(i) the nature of the imported sugar consignment; and (ii) determining a clear way forward for the resolution of the matter.
MIN 02/23.02.26	Submissions by Mombasa Sugar Refinery Limited
Submissions by Managing Director, Mombasa Sugar Refinery	The CS invited the Managing Director, Mombasa Sugar Refinery Ltd to present the company's position on the matter. The director submitted as follows: ▪ MSRL is duly authorised to import 165,000 metric tonnes of raw cane sugar pursuant to Gazette Notice No. EAC/G2/2025 dated 16 April 2025. ▪ the Ministry of Investment, Trade and Industry specifically approved one shipment of 30,000 metric tonnes of raw sugar from Brazil, expressly waiving the consignment on two parameters (Colour & Polarization) in KS EAS 8:2021 Raw Cane Sugar Specifications. ▪ Notwithstanding the exemption, the Company complied fully with all applicable statutory, regulatory, and administrative requirements, as follows: a. MSRL is a duly registered sugar refinery holding a valid license No. 1022661 and Company Registration No. CPR/2011/41481. b. MSRL is a duly licensed and authorised sugar importer holding Import Permit No. AFA/SD/IMPEX/102688. c. MSRL obtained the requisite Pre-Shipment Approval Letter from the Kenya Sugar Board (KSB) vide Ref: KSB/SD/LOI/1006755. d. MSRL obtained Specific Import approval from KSB vide Ref: KSB/SD/LOI/1006755 dated 18 December 2025. e. MSRL obtained Proforma Invoice No. SC2502014 dated 16 December 2025 from Wilmar Sugar Pte. Ltd. f. MSRL obtained Import Declaration Form (IDF) No. 25ATNIM000211336 dated 19 December 2025. g. MSRL secured a valid Letter of Credit No. TF25353000012 dated 19 December 2025. ▪ Wilmar Sugar Pte. Ltd., in accordance with approved procedures, engaged SGS, a Government-appointed

Minute Ref.	Agenda/Resolutions
	inspection agency, resulting in issuance of Certificate of Conformity (CoC) No. C25ATNIM000211336 /001 by KEBS on 24 December 2025. The shipment was surrendered to MSRL only after full compliance with pre-shipment and inspection requirements. ▪ MSRL complied fully with all Kenya Sugar Board and KEBS monitoring conditions to prevent diversion prior to refining and assurance of the final product. ▪ The imported commodity is raw cane sugar, constituting industrial raw material, not a finished consumer product. ▪ The refined output is industrial refined sugar intended for industrial use. ▪ MSRL duly paid all applicable statutory taxes and levies amounting to Ksh 510,810,786. ▪ The cargo was also duly cleared by all relevant health authorities with respect to radiation and phytosanitary requirements. ▪ Further to the foregoing, MSRL paid statutory taxes amounting to USD 3,069,016.36. ▪ The raw sugar was bagged at the quayside in clearly and indelibly marked 50 kg bags stating: RAW SUGAR - NOT FIT FOR HUMAN CONSUMPTION NOT FOR SALE. ▪ Despite this comprehensive compliance, MSRL was subsequently issued with a demand notice by the Kenya Revenue Authority (KRA) in the sum of Ksh 2,983,118,000, premised on a unilateral re-classification of the product as brown sugar. This is notwithstanding KRA's own laboratory analysis confirming the commodity as raw sugar. ▪ MSRL formally lodged an objection and appeal against the demand notice. ▪ MSRL indicated that the reclassification by KRA of this raw sugar to brown sugar is not correct as the brown sugar specification does not confirm to the analysis done by KRA that then raises the question of what does this sugar qualify to be. ▪ The company's principal competition arises from importers of Industrial Refined Sugar.

Minute Ref.	Agenda/Resolutions
	MSRL indicated that KRA had agreed to approve the conditional release of the sugar subject to the execution of a bank or insurance guarantee as security for the disputed taxes. MSRL indicated that the company was not in a position to execute the bond and that the sugar in question is not brown sugar but raw sugar for manufacture of sugar for industrial use.
MIN 03/23.02.26	Kenya Bureau of Standards (KEBS)
Contributions by State Department for Industry and Agencies	The CS invited the Managing Director, KEBS to contribute. The Managing Director made the following clarifications: - KEBS mandate includes verifying adherence to applicable standards and issuing Certificates of Conformity for imported goods. - That the Cabinet Secretary Ministry of Investments, Trade and Industry, had granted a waiver to the taxpayer on two specific parameters- Polarization and Colour- for one consignment of 30,000 MT originating from Brazil, as the taxpayer cited challenges in sourcing sugar with those specifications. - KEBS conducted laboratory testing of the consignment against the KS EAS 8:2021 Raw Cane Sugar Specifications. The results confirmed that the product met the parameters applicable to raw sugar intended for further refining, and that it was not fit for direct human consumption. - KEBS further noted that concerns relating to the diversion of the consignment fell outside its mandate and were under the jurisdiction of the Kenya Sugar Board.
	Kenya Revenue Authority (KRA)
	The CS invited the Commissioner General (CG), KRA to contribute. He presented the following: The taxes assessed on the consignment were based on the taxpayer's self-declaration.

Minute Ref.	Agenda/Resolutions
	▪ Upon importation, KRA conducted a review to ascertain the correct tariff classification of the goods for taxation purposes. ▪ Samples were drawn from the consignment and submitted for analysis at the KRA Laboratory. Testing focused on two parameters: Colour and Polarity. The KRA results were found to be consistent with an independent analysis conducted by SGS. ▪ On the basis of the laboratory findings, KRA re-classified the consignment and issued an additional tax assessment. ▪ The taxpayer lodged an objection to the additional assessment. Following a review of the objection, KRA upheld its original decision. ▪ Subsequent to the taxpayer's request, KRA approved the conditional release of the sugar subject to the execution of a bank or insurance guarantee as security for the disputed taxes. ▪ The CG clarified that KRA's tariff classification is governed by international rules- and is distinct from quality standards administered by KEBS. The two operate independently. The Commissioner, Customs & Border Control- KRA, added the following: ▪ The Taxpayer had avenues through which to challenge the Commissioner's classification decision, including referral to the Tax Appeals Tribunal (TAT) ▪ That independent of the appeal process, the goods may upon request be released upon execution of a bond or guarantee to secure taxes. The Ag. Commissioner, Investigations & Enforcement- KRA further clarified: ▪ KRA had approved the provisional release of the goods and had stipulated conditions on the use of the sugar to prevent diversion.

Minute Ref.	Agenda/Resolutions
	▫ The insurance guarantee required was equivalent to the outstanding taxes. The prevailing market cost for such a guarantee was approximately 2% of the secured amount. In response to the CS enquiry as to whether the sugar should be characterized as raw sugar or brown sugar KRA clarified as follows: - Tariff classification under the Harmonized System is a coding system for international trade that determines how goods are categorized for taxation purposes. It's not for quality purposes. - Kenya is a member of the WCO and applies the Tariff classification in accordance with rules by WCO. Sugar is classified under Chapter 17 of the HS. - The main parameters for tariff classification of raw sugar are Polarity (measures sucrose content) and Colour (whether there is added flavouring or colouring). - These parameters determine the HS classification and taxes due. - KRA's laboratory analysis indicated the consignment contained added colouring matter which placed it outside the tariff under which the exemption was granted. - There was no dispute between the taxpayer and KRA on the Polarity results. The point of divergence was on the colouring test. The CS sought clarification on whether this indicated that the sugar was fit for human consumption. KRA confirmed that tariff classification does not certify whether the product is fit for human consumption or not.
	Kenya Sugar Board (KSB)
	The CS invited Kenya Sugar Board to contribute. The following was presented:

Minute Ref.	Agenda/Resolutions
	▪ The Director, Kenya Sugar Board confirmed that KSB's mandate includes the protection of society from the consumption of sugar that is unfit for human consumption. ▪ KSB carries out this mandate in close coordination with multi-agency partners, including KRA and KEBS.
MIN 04/23.02.26	Reactions
Discussions	▪ The CS noted the divergence between the positions of KEBS and KRA regarding the classification of the consignment. He underscored the need for a multi-agency approach to determine the conditions under which the consignment could be safely released and subsequently monitored to prevent diversion. ▪ The Principal Secretary, State Department for Industry, observed that the lack of a harmonized position by Government Agencies creates uncertainty to investors and contributes to a challenging business environment. He noted that the lack of a common position causes frustration for investors, creating a challenging business environment. ▪ The CG sought clarification regarding a letter received from the Ministry of Agriculture that referenced a caveat on the release of the consignment. ▪ The Director, Mombasa Sugar Refinery indicated that the entire consignment could be processed into refined sugar for industrial use within a period of two (2) months from the date of release.
MIN 05/23.02.26	Way forward
Way Forward	Following the deliberations, the meeting reached the following resolutions: a) Classification of the sugar consignment

Minute Ref.	Agenda/Resolutions
	KEBS confirmed the consignment as raw cane sugar pursuant to quality standards testing, hence the CS instructed all other agencies to align to this position. b) Clarification on Definition It was noted that there may be gaps in the definition and classification of sugar. It was agreed that these issues be resolved internally in the Government among the relevant institutions: Kenya Revenue Authority (KRA); Kenya Bureau of Standards (KEBS); Kenya Sugar Board (KSB); Ministry of Investments, Trade and Industry (MITI) and the National Treasury. c) Oversight The Kenya Sugar Board (KSB) shall oversee and monitor the imported sugar to ensure that it is strictly utilized for further processing purposes. Under the law, KSB is mandated to supervise and regulate the processing of raw sugar into white refined sugar, including monitoring compliance and preventing unauthorized diversion. d) Establishment of a Multi-Agency Team For purposes of the imported consignment, a Multi-Agency Team be constituted to deliberate on and determine the conditions under which the consignment shall be released to Mombasa Sugar Refinery Limited, and to establish monitoring mechanisms to ensure the sugar is not diverted from its intended purpose. The team shall prepare and submit two interim reports and a final report to the CS NT upon conclusion of its work. The team shall comprise officers from the following institutions: i) Kenya Sugar Board ii) Kenya Bureau of Standards iii) Kenya Revenue Authority

Minute Ref.	Agenda/Resolutions
	iv) Ministry of Investments, Trade and Industry v) Ministry of Interior and National Administration. e) Policy Guidance Relevant Government institutions to deliberate and review the gaps relating to the parameters of sugar in line with global standards, to resolve the inconsistency and provide future guidance and clarity to importers. f) Execution and Authentication of minutes The minutes of the meeting shall be signed by the representatives of the respective invited Institutions. The CS NT shall issue a formal communication to the taxpayer and KRA as agreed during the meeting. g) Caveat on release of the consignment by the Ministry of Agriculture The CG informed the meeting that Principal Secretary, Agriculture (Ministry of Agriculture and Livestock Development) has written a letter addressed to KRA on this matter indicating that some brown sugar disguised as raw sugar had been imported and requested it be held before releasing to the importer. It was agreed that the CG KRA will formally responds to the Principal Secretary, Agriculture (Ministry of Agriculture and Livestock Development), of the decisions reached at the meeting and how the concerns raised were addressed, noting that the Ministry was adequately represented by representatives from the Kenya Sugar Board (KSB).
MIN 06/23.02.26	Any Other Business (AOB)
Any Other Business	There being no other business, the meeting was adjourned at 1.00 p.m.

Signed by:

1. Hon. FCPA John Mbadi, EGH 
Cabinet Secretary, National Treasury (**Chairman**)

Date: 24/02/2026

2. Dr. Juma Mukhwana, CBS 
Principal Secretary, State Department of Investments

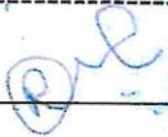
Date: _____

3. Mr. Humphrey Wattanga, CBS 
Commissioner General, Kenya Revenue Authority (KRA)

Date: 26/02/2026

4. Ms. Esther Ngari 
Managing Director, Kenya Bureau of Standards (KEBS)

Date: 26/02/2026

5. Mr. Richard Magero 
Director, Kenya Sugar Board (KSB)

Date: 2/3/2026

6. Mr. Raghbir Singh Chatthe 
Managing Director, Mombasa Sugar Refinery Limited

Date: 2/3/2026

--End--



KENYA SUGAR BOARD

MULTI-AGENCY MONITORING OF RAW SUGAR UTILIZATION AT MSRL-KIBOS

Raw Sugar

Date	Opening Balance	Receipt	Consumed/Processed	Closing Balance	Produced/Bagged	Refined White Sugar
	Bags	Est. Wgt. (Kgs)	Bags	Est. Wgt. (Kgs)	Bags	Est. Wgt. (Kgs)
24/05/2026	-	-	7,940	388,760	-	-
25/05/2026	7,940	388,760	4,836	236,780	-	-
26/05/2026	12,776	625,540	10,920	535,460	-	-
27/05/2026	23,696	1,161,000	8,392	414,620	-	-
29/05/2026	32,088	1,575,620	3,592	175,500	-	-
30/05/2026	35,680	1,751,120	4,196	207,300	-	-
03/06/2026	39,876	1,958,420	7,192	354,540	-	-
04/06/2026	47,068	2,312,960	3,600	176,020	-	-
05/06/2026	50,668	2,488,980	8,372	405,700	-	-
06/06/2026	59,040	2,894,680	6,594	312,800	-	-
07/06/2026	65,634	3,207,480	6,576	315,000	-	-
09/06/2026	72,210	3,522,480	4,200	199,800	-	-
10/06/2026	76,410	3,722,280	4,780	227,360	-	-
11/06/2026	81,190	3,949,640	5,400	264,880	-	-
12/06/2026	86,590	4,214,520	4,180	203,180	-	-
13/06/2026	88,560	4,309,499	3,600	171,180	-	-
14/06/2026	90,010	4,375,315	-	-	-	-
15/06/2026	86,896	4,222,854	-	-	-	-
16/06/2026	82,652	4,015,068	10,772	508,200	-	-
17/06/2026	89,216	4,317,244	8,400	396,200	-	-
18/06/2026	93,346	4,504,385	-	-	-	-
19/06/2026	89,120	4,297,269	-	-	-	-

29/07/2026
R.O. → MSRL

20/06/2026	84,666	4,078,978	-	-	2,920	141,240	81,746	3,937,738	3,364	168,200
21/06/2026	81,746	3,937,738	-	-	3,930	190,094	77,816	3,747,644	2,373	118,650
22/06/2026	77,816	3,747,644	-	-	4,618	226,282	73,198	3,521,362	1,780	89,000
23/06/2026	73,198	3,521,362	-	-	3,628	175,776	69,570	3,345,586	2,341	117,050
24/06/2026	69,570	3,345,586	2,996	142,700	3,695	181,166	68,871	3,307,120	1,787	89,350
25/06/2026	68,871	3,307,120	2,880	135,460	2,889	141,850	68,862	3,300,730	1,914	95,700
26/06/2026	68,862	3,300,730	6,480	305,620	4,060	196,179	71,282	3,410,171	1,403	70,150
27/06/2026	71,282	3,410,171	3,600	169,160	2,452	118,309	72,430	3,461,022	1,465	73,250
28/06/2026	72,430	3,461,022	-	-	2,759	132,708	69,671	3,328,314	1,044	52,200
29/06/2026	69,671	3,328,314	-	-	2,940	140,973	66,731	3,187,341	1,773	88,650
30/06/2026	66,731	3,187,341	-	-	-	-	66,731	3,187,341	1,027	51,350
13/07/2026	66,731	3,187,341	2,880	68,740	-	-	69,611	3,256,081	-	-
14/07/2026	69,611	3,256,081	5,760	283,900	-	-	75,371	3,539,981	-	-
15/07/2026	75,371	3,539,981	3,600	239,580	-	-	78,971	3,779,561	-	-
20/07/2026	78,971	3,779,561	8,640	410,780	-	-	87,611	4,190,341	-	-
21/07/2026	87,611	4,190,341	6,480	307,440	-	-	94,091	4,497,781	-	-
22/07/2026	94,091	4,497,781	5,760	274,740	3,103	147,517	96,748	4,625,004	-	-
23/07/2026	96,748	4,625,004	3,600	170,560	3,620	175,570	96,728	4,619,994	1,224	61,200
24/07/2026	96,728	4,619,994	-	-	3,170	153,745	93,558	4,466,249	1,871	93,550
25/07/2026	93,558	4,466,249	-	-	2,222	107,878	91,336	4,358,371	2,743	137,150
26/07/2026	91,336	4,358,371	-	-	3,254	157,819	88,082	4,200,552	2,757	137,850
27/07/2026	88,082	4,200,552	-	-	4,025	195,414	84,057	4,005,138	2,550	127,500
28/07/2026	84,057	4,005,138	-	-	2,867	139,050	81,190	3,866,088	3,831	191,550
29/07/2026	81,190	3,866,088	4,320	204,420	3,377	163,785	82,133	3,906,723	3,704	185,200
30/07/2026	82,133	3,906,723	-	-	-	-	-	-	-	-
Total			170,538	8,206,380	88,405	4,299,657			47,605	2,380,250

Notes

877 bags of the first batch of refined sugar were recycled to meet the required quality specifications
MSRL suspended refining operations from 30th June 2026 to undertake mechanical inspection and maintenance, citing
low sugar recovery levels

Summary

Total Consignment

Kg

27,839,000

R.O

MSRL

29/07/2026

Total Raw Sugar Processed

Percentage Raw Sugar Processed as at 29th July 2026

Bags
Kg

88,405
4,299,657

15.44%



N.O MURAL

29/07/2026

29/07/2026



KENYA REVENUE
AUTHORITY

ISO 9001:2015 CERTIFIED

CONFIDENTIAL

INVESTIGATIONS AND ENFORCEMENT DEPARTMENT

REF: KRA/I&E/2/1/(342)26

18th February 2026

The Director,
Mombasa Sugar Refinery Ltd,
P.O Box 85352-80100,
MOMBASA
Email: office@mombasasugarrefinery.com

Dear Sir/ Madam,

**RE: RESPONSE TO THE COMMISSIONER'S REVIEW DECISION DATED
29TH JANUARY 2026**

We refer to your letter dated 11th February 2026 on the above captioned subject matter.

In your response you objected to the tariff re-classification and valuation uplift of the consignment by the Commissioner.

Having reviewed your representations on the nature and intended use of the goods and considering the need to balance revenue protection with continuity of industrial operations, the Commissioner hereby approves the **conditional** release of the consignment in the spirit of trade facilitation.

The approval is granted subject to strict compliance with the following conditions:

1. That this letter is **without prejudice** to the Commissioner's decision of 29th January 2026, and any further application for review of the matter is lodged at the Tax Appeals Tribunal in accordance with the provisions of section 230 of the East African Community Customs Management Act and the Tax Appeals Tribunal Act 2013.
2. Execution of a security bond in form of a bank or insurance guarantee, equivalent to the assessed additional taxes of Ksh 2,983,118,000 as provided under Section 107 of EACCMA 2004. The bond should have a validity period of at least twelve months (12 months) renewable.
3. The bond shall remain in force until the completion of the dispute resolution process and the entire consignment fully and properly accounted for in the following manner:
 - a) The consignment shall be used strictly and exclusively for the manufacture of refined industrial sugar.
 - b) The importer shall provide to the Authority, prior to commencement of processing, the production plan, production formula and yield matrix to be applied in the refining process to facilitate reconciliation and monitoring.
 - c) An end-to-end accounting of the entire consignment shall be maintained. A detailed reconciliation shall be undertaken comparing the quantity of raw sugar received against the total quantity of refined industrial sugar produced.

Tulipe Ushuru, Tujitegemee!





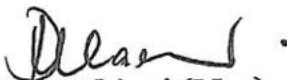
KENYA REVENUE AUTHORITY

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- d) The raw sugar shall be transported and stored in bags clearly and indelibly marked "NOT FIT FOR HUMAN CONSUMPTION".
 - e) The Commissioner shall be granted unfettered access to the manufacturing facility at all reasonable times for purposes of supervision, verification, inspection, and compliance monitoring.
 - f) The refined industrial sugar produced from the consignment shall be stored separately from any other stock and shall be packaged in clearly marked bags bearing the words "REFINED INDUSTRIAL SUGAR – FOR INDUSTRIAL USE ONLY".
 - g) The refined industrial sugar shall only be sold to bona fide manufacturers for industrial use. No retail or direct consumer sale shall be permitted.
 - h) Monthly accounting returns shall be submitted to the Authority detailing:
 - a. Quantity of raw sugar processed
 - b. Quantity of refined industrial sugar produced;
 - c. Quantities sold and revenue therefrom;
 - d. Identity of purchasers and;
 - e. Confirmation of industrial use.
 - i) Upon exhaustion of the consignment, a comprehensive end-to-end audit shall be conducted by the Commissioner to verify complete accounting of the raw sugar received, refined sugar produced, sales effected, and any process losses or wastage.
 - j) All by-products and waste, including molasses and any other residual material, shall be separately stored, recorded, and reported to the Commissioner. Disposal or sale of such by-products shall only occur with prior written approval of the Authority.
4. The Commissioner reserves the right to draw samples before release of the consignment for purposes of re-testing, should the need arise pending resolution of the dispute.
5. The consignment will be conveyed in RECTS-compliant trucks and monitored by a multi-agency team to the final destination.
6. Upon conclusion, the bond shall be discharged subject to the outcome of the dispute resolution process.

Please note this approval is granted strictly without prejudice to the ongoing dispute resolution process at the Tax Appeals Tribunal and is subject to full compliance with all applicable customs and regulatory requirements.


D.N. Mbingi (Mrs).

Ag. Commissioner, Investigations & Enforcement