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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

COMMITTEE ON DELEGATED LEGISLATION

REPORT ON CONSIDERATION OF THE EXCISE DUTY (REMISSION OF EXCISE DUTY) REGULATIONS, 2026 (LEGAL NOTICE NO. 193 OF 2026)

NOVEMBER 2026

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 03 NOV 2026
DAY: Tuesday
TABLED BY: Chairperson, Delegated Legislation
CLERK-AT-THE-TABLE: Gertrude Chebet

The Directorate of Audit, Appropriations
& General-Purpose Committees
The National Assembly
Parliament Buildings

NATIONAL ASSEMBLY
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03 NOV 2026
SPEAKER'S OFFICE
P.O. Box 41842-00100 NAIROBI

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LIST OF ABBREVIATIONS AND ACRONYMS

Cap.	Chapter
CBS	Chief of the Order of the Burning Spear
DLS	Directorate of Legislative and Procedural Services
EBS	Elder of the Order of the Burning Spear
EGH	Elder of the Order of the Golden Heart
KANU	Kenya African National Union
KRA	Kenya Revenue Authority
L.N.	Legal Notice
M.P.	Member of Parliament
ODM	Orange Democratic Movement
UDA	United Democratic Alliance
UDM	United Democratic Movement
UPA	United Progressive Alliance
UPIA	United Party of Independent Alliance
WDM-Kenya	Wiper Democratic Movement-Kenya

CHAIRPERSON'S FOREWORD

The Excise Duty (Remission of Excise Duty) Regulations, 2026 were made vide *L.N. No. 193 of 2026* pursuant to powers conferred on the Cabinet Secretary for the National Treasury and Economic Planning under section 7(2) of the Excise Duty Act, *Cap. 472*.

The Regulations were made on 27th August 2026 and published as Legal Notice No. 193 of 2026 in the Kenya Gazette Supplement No. 235 of 2026 on 29th September 2026. They were subsequently laid before the House on Tuesday, 13th October 2026, when they were referred to the Committee on Delegated Legislation for consideration.

The primary purpose of the Regulations is to provide a framework for the remission of excise duty on beer, spirits or wine manufactured from agricultural products grown in Kenya. The Regulations revoke the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 61 of 2026*).

Pursuant to section 16 of the Statutory Instruments Act, *Cap. 2A*, which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning on Thursday, 22nd October 2026, to deliberate on the Regulations.

Having examined the Excise Duty (Remission of Excise Duty) Regulations, 2026 against the Constitution, the Interpretation and General Provisions Act, *Cap. 2*, the Statutory Instruments Act, *Cap. 2A*, and the Excise Duty Act, *Cap. 472*, the Committee resolved to recommend **that the House APPROVES the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*), pursuant to section 7(3A)(a) of the Excise Duty Act, *Cap. 472*.**

I sincerely thank the Speaker and the Office of the Clerk of the National Assembly for the invaluable support accorded to the Committee in the discharge of its mandate. I also wish to thank the Committee Membership and the Secretariat for their diligence in considering these Regulations.

On behalf of the Members of the Committee on Delegated Legislation and pursuant to Standing Orders 199 and 210, it is my pleasure and duty to present to the House the Committee's ***Report on the Consideration of the Excise Duty (Remission of Excise Duty) Regulations, 2026 (L.N. No. 193 of 2026).***

HON. CHEPKONG'A KIPRONO SAMUEL, CBS, M.P.
CHAIRPERSON, COMMITTEE ON DELEGATED LEGISLATION

CHAPTER ONE

1.0 PREFACE

1.1 Establishment and Mandate of the Committee

1. The Select Committee on Delegated Legislation is established under ***Standing Order No. 210*** of the National Assembly Standing Orders and is mandated to consider statutory instruments submitted to Parliament for consideration. The Committee is further guided by the principles of scrutiny set out in section 13 of the Statutory Instruments Act, Cap. 2A.

2. In particular, the Committee is mandated to consider, in respect of any statutory instrument, whether it—

   (a) is in accordance with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws;
   (b) infringes on fundamental rights and freedoms of the public;
   (c) contains a matter which, in the opinion of the Committee should more properly be dealt with in an Act of Parliament;
   (d) contains imposition of taxation;
   (e) directly or indirectly bars the jurisdiction of the Courts;
   (f) gives retrospective effect to any of the provisions in respect to which the Constitution or the Act does not expressly give any such power;
   (g) involves expenditure from the Consolidated Fund or other public revenues;
   (h) is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
   (i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;
   (j) appears to have had an unjustifiable delay in its publication or laying before Parliament;
   (k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
   (l) makes rights, liberties or obligations unduly dependent on insufficiently defined administrative powers;
   (m) inappropriately delegates legislative powers;
   (n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
   (o) appears for any reason to infringe on the rule of law;
   (p) inadequately subjects the exercise of legislative power to Parliamentary scrutiny; and
   (q) accords to any other reason that the Committee considers fit to examine.

1.2 Committee Membership

3. The Committee comprises the following Members—

Chairperson
Hon. Chepkong'a Kiprono Samuel, CBS, M.P.
Ainabkoi Constituency
UDA

Vice-Chairperson
Hon. Githinji Robert Gichimu, M.P.
Gichugu Constituency
UDA

Committee Members

Hon. Mbui Robert, CBS, M.P.
Kathiani Constituency
WDM-Kenya

Hon. Julius Lekakeny Ole Sunkuli, EGH, EBS, M.P.
Kilgoris Constituency
KANU

Hon. Dr. Onchoke, Mamwacha Charles, M.P.
Bonchari Constituency
UPA

Hon. Waithaka, John Machua, M.P.
Kiambu Constituency
UDA

Hon. Yakub Adow Kuno, M.P.
Bura Constituency
UPIA

Hon. Mwirigi John Paul, M.P.
Igembe South Constituency
UDA

Hon. Chepkorir Linet, M.P.
Bomet County
UDA

Hon. Oluoch, Anthony Tom, M.P.
Mathare Constituency
ODM

Hon. Okoth, Moses Omondi, M.P.
Butere Constituency
ODM

Hon. Mugabe Innocent Maino, M.P.
Likuyani Constituency
ODM

Hon. (Maj) (Rtd) Dekow Barrow Mohamed, M.P.
Garissa Township Constituency
UDA

Hon. Kamene Joyce, M.P.
Machakos County
WDM-Kenya

Hon. Dr. Kimaiyo, Gideon Kipkoech, M.P.
Keiyo South Constituency
UDA

Hon. Chebor, Paul Kibet, M.P.
Rongai Constituency
UDA

Hon. (Maj) (Rtd) Abdullahi, Bashir Sheikh, M.P.
Mandera North Constituency
UDM

Hon. Odoyo, Jared Okello, M.P.
Nyando Constituency
ODM

Hon. Munyoro Joseph Kamau, M.P.
Kigumo Constituency
UDA

Hon. Lenguris Pauline, M.P.
Samburu County
UDA

Hon. Mnyazi Amina Laura, M.P.
Malindi Constituency
ODM

1.3 Committee Secretariat

4. The Secretariat facilitating the Committee comprises—

Ms. Wanjiru Mwaura
Principal Clerk Assistant I, Team Leader

Mr. Dima Dima
Deputy Director, DLS

Mr. Peter Barasa
Legal Counsel II

Ms. Elsy Jerop
Legal Counsel II

Mr. Yakub Ahmed
Media Relations Officer

Mr. Cosmas Akhonya
Serjeant-at-Arms

Mr. Brian Langwech
Clerk Assistant II

Ms. Grace Odedere
Clerk Assistant II

Ms. Brenda Michira
Research Officer II

Mr. Rodgers Kilungya
Hansard Reporter

Ms. Angela Musau
Legal Counsel II

CHAPTER TWO

2.0 CONSIDERATION OF THE EXCISE DUTY (REMISSION OF EXCISE DUTY) REGULATIONS, 2026 (L.N. NO. 193 OF 2026)

2.1 Introduction

5. The Excise Duty (Remission of Excise Duty) Regulations, 2026 were made on 27th August 2026 and published as Legal Notice No. 193 of 2026 in the Kenya Gazette Supplement No. 235 of 2026 on 29th September 2026. They were subsequently laid before the House on Tuesday, 13th October 2026, when they were referred to the Committee on Delegated Legislation for consideration.

6. Pursuant to section 16 of the Statutory Instruments Act, *Cap. 2A*, which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning on Thursday, 22nd October 2026, to deliberate on the Regulations.

2.2 Object and Purpose of the Regulations

7. The purpose of this Statutory Instrument is to provide a framework for the remission of excise duty on beer, spirits or wine manufactured from agricultural products grown in Kenya in order to—

   (a) promote the use of locally grown agricultural products in the manufacture of beer, spirits and wine;

   (b) support local farmers by creating a reliable and sustainable market for their produce;

   (c) reduce reliance on imported raw materials; and

   (d) reduce cases of illicit trade in beer, spirits and wine.

2.3 Legislative Context

8. The Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*) were made pursuant to section 7(2) of the Excise Duty Act, *Cap. 472*, which empowers the Cabinet Secretary for the National Treasury and Economic Planning, by notice in the Gazette, to grant remission of excise duty, wholly or partially, in respect of beer, spirit or wine made from sorghum, millet or cassava or any other agricultural products (excluding barley) grown in Kenya.

9. Section 7(3) of the Act requires the Gazette notice to specify the products and the conditions to be met for the remission, while section 7(3A) requires the notice to be laid before the National Assembly without unreasonable delay and empowers the House, within twenty-one days on which it next sits after the laying, to approve or annul it.

10. The Regulations constitute a statutory instrument within the meaning of section 2 of the Statutory Instruments Act, *Cap. 2A*.

11. Regulation 10 revokes the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 61 of 2026*), which had in turn revoked the Excise Duty (Remission of Excise Duty) Regulations, 2017 (*L.N. No. 52 of 2017*).

2.4 Policy Context

12. Section 7(2) of the Excise Duty Act was intended to promote the production of beer, wine and spirit from alternative agricultural products which are not predominantly used as the main raw material in the production of these alcoholic drinks. Previously, the beverages were mainly produced from sugar and barley, with limited commercial demand for the grains and roots grown by smallholder farmers.

13. Remission of excise duty means the waiver or cancellation of excise duty. Upon remission, the alcoholic drinks concerned do not pay the full amount of excise duty that would otherwise be payable.

14. One of the aims of the Legal Notice is to address the prevalence of illicit alcoholic drinks in the Kenyan market. A study by Euromonitor International, commissioned by the Alcoholic Beverages Association of Kenya, found that Kenyans consumed on average 3.6 litres of pure illicit alcohol per adult in 2024, compared to 2.5 litres of legal alcohol. In that study, illicit alcohol was broadly defined to mean beverages that escape regulation and taxes, including traditional home brews, counterfeit spirits disguised as well-known brands and drinks smuggled into the country without safety checks.

15. While many Kenyans understand that these drinks are dangerous, they continue to consume them because they are significantly cheaper and more accessible than legal alcohol, notwithstanding the attendant health risks, including blindness, kidney damage and sudden death from illicit alcohol poisoning. The remission is therefore intended to reduce the consumption of illicit alcoholic drinks by lowering the price payable by consumers. The ceilings on the selling price prescribed in regulations 5 and 6 are, in turn, intended to ensure that the benefit of the remission is passed on to consumers through lower selling prices.

16. The Legal Notice is further intended to promote the use of locally grown agricultural products such as sorghum, cassava and millet in the production of beer, spirits and wine, to support local farmers by creating a reliable market for their produce, and to reduce reliance on imported raw materials, thereby assuring farmers of a sustainable income stream.

17. The Excise Duty (Remission of Excise Duty) Regulations, 2017 (*L.N. No. 52 of 2017*) provided for the remission of excise duty on beer only, leaving out wine and spirits which were already provided for in section 7(2) of the Act. That omission was remedied by the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 61 of 2026*), and the present Regulations maintain the remission in respect of all three classes of alcoholic drink.

2.5 Summary of the Excise Duty (Remission of Excise Duty) Regulations, 2026

18. The Regulations comprise ten (10) regulations.

19. **Regulations 1 and 2** are preliminary provisions that include the citation and the interpretation of the expressions "compounder" and "distiller".

20. **Regulation 3** provides for the object of the Regulations.

21. **Regulation 4** empowers the Cabinet Secretary, on the application of a licensed manufacturer or licensed distiller, to grant remission of excise duty at eighty per centum in respect of beer, spirit or wine made from sorghum, millet or cassava or any other agricultural produce, except sugarcane and barley, grown in Kenya, and provides for the categories of products to which the remission does not apply.

22. **Regulation 5** provides for the conditions necessary for remission of excise duty, including tax compliance, compliance with the electronic tax invoicing system under section 23A of the Tax Procedures Act, *Cap. 469B*, a valid excise licence, the installation of an Excisable Goods Management System, a minimum of seventy-five per cent local content, prescribed packaging and labelling, maximum selling prices, and the furnishing of a list of contracted farmers together with a framework for verifying local provenance, with distinct conditions for a licensed manufacturer of beer, a licensed distiller and a licensed manufacturer of wine.

23. **Regulation 6** provides for a licensed distiller who is a compounder, and entitles such a distiller to remission of excise duty on spirits compounded from the distiller's distillery, subject to the prescribed packaging, labelling, raw material and price conditions.

24. **Regulation 7** provides for the returns to be submitted to the Commissioner once every three months, covering the raw materials used, the beer, wines or spirits manufactured and sold, the flowmeter readings and the quantities of agricultural products purchased from farmers.

25. **Regulation 8** provides for the revocation of the excise duty remission where a licensed manufacturer fails to comply with the conditions specified in the Regulations and any other provisions of the Act, and for the recovery of the full excise duty remitted together with penalties.

26. **Regulation 9** contains transitional provisions preserving the benefit of a remission granted before the coming into force of the Regulations, subject to compliance with any additional conditions within six months from the date of notification.

27. **Regulation 10** revokes the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 61 of 2026*).

2.6 Scrutiny of the Instrument

28. The Committee examined the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*) against the Constitution, the Interpretation and General Provisions Act, *Cap. 2*, the Excise Duty Act, *Cap. 472*, and the Statutory Instruments Act, *Cap. 2A*, at its meeting with the National Treasury and Economic Planning held on Thursday, 22nd October 2026 in Room 21, 5th Floor, Bunge Tower.

CHAPTER THREE

3.0 COMMITTEE OBSERVATIONS

29. Having examined the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*) against the Constitution, the Interpretation and General Provisions Act, *Cap. 2*, the Statutory Instruments Act, *Cap. 2A*, and the Excise Duty Act, *Cap. 472*, the Committee observed **THAT**—

3.1 Statutory Timelines

30. The Regulations were made on 27th August 2026, published in the Gazette on 29th September 2026 vide Legal Notice No. 193 of 2026, Kenya Gazette Supplement No. 235 of 2026, and laid before the House on Tuesday, 13th October 2026, within the requisite statutory timelines under section 11(1) of the Statutory Instruments Act, *Cap. 2A*. The Regulations were therefore laid without unreasonable delay, in compliance with section 7(3A) of the Excise Duty Act, *Cap. 472*.

3.2 Consultations/Public Participation

31. Articles 10 and 118 of the Constitution and section 5 of the Statutory Instruments Act, Cap. 2A, require that the regulation-making authority conduct public participation and sufficient consultation with the stakeholders and persons likely to be affected by the regulations.

32. In line with the provisions of section 5 of the Statutory Instruments Act, Cap. 2A, the National Treasury and Economic Planning, through the Commissioner-General of the Kenya Revenue Authority, undertook public participation before the publication of these Regulations.

33. The mode of public participation included the invitation of stakeholders and members of the public, through a Public Notice published on 9th September 2025, to submit their comments on the draft Legal Notice. Stakeholders were required to submit their comments by 26th September 2025.

34. The Kenya Revenue Authority held a virtual stakeholder engagement with key stakeholders on 2nd October 2025 to discuss their submissions. The engagement provided a platform for stakeholders to provide context on the submissions and to make any clarifications as necessary. The submissions were thereafter reviewed and incorporated in the Regulations, where appropriate, at a meeting held at the National Treasury on 21st October 2025.

35. The principal requests made by stakeholders were the express inclusion of sugar or sugarcane as one of the qualifying agricultural products and the extension of the remission to compounders of spirits, in addition to distillers. Other stakeholders opposed the branding of spirits on which remission has been granted, on account of the additional cost. The responses of the regulation-making authority are set out at paragraphs 4.4 and 4.5 of the Explanatory Memorandum. As published, the Regulations exclude sugarcane from the qualifying agricultural produce under regulation 4, extend the remission to a licensed distiller who is a compounder under regulation 6, and retain the prescribed packaging and labelling requirements.

3.3 Regulatory Impact Statement

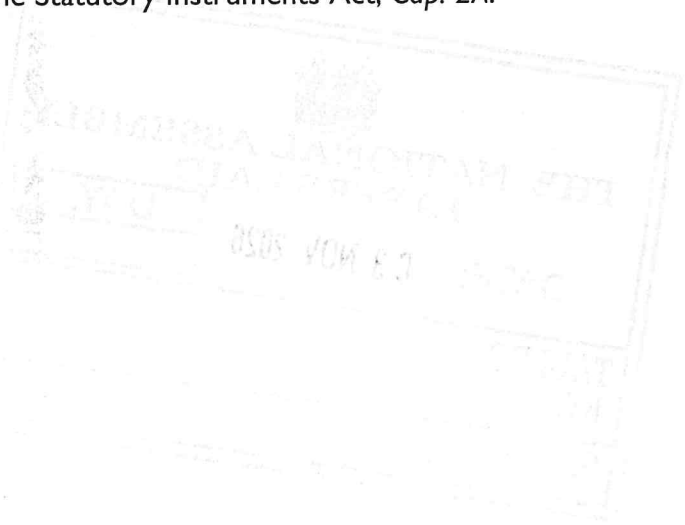
36. The National Treasury and Economic Planning explained, at paragraphs 5.2 and 5.3 of the Explanatory Memorandum, that a regulatory impact statement was not necessary for the statutory instrument, the Regulations being a matter arising under legislation that is substantially uniform or complementary with legislation of the National Government and being in line with the provisions of the Excise Duty Act, *Cap. 472*.

3.4 Consistency with the Constitution and the Enabling Act

37. Article 210(1) of the Constitution provides that no tax or licensing fee may be imposed, waived or varied except as provided by legislation. The remission of excise duty is a partial waiver of tax that is expressly authorised by section 7(2) of the Excise Duty Act, *Cap. 472*, and is therefore provided for by legislation.

38. In accordance with section 7(3) of the Excise Duty Act, *Cap. 472*, the Regulations specify the products eligible for remission and the conditions to be met by licensed manufacturers and distillers, including local content, packaging and labelling, maximum selling prices, quarterly returns and the revocation of the remission for non-compliance.

39. The Committee did not identify any provision of the Regulations that offends the Constitution, the Excise Duty Act, *Cap. 472*, or the principles of scrutiny set out in section 13 of the Statutory Instruments Act, *Cap. 2A*.



CHAPTER FOUR

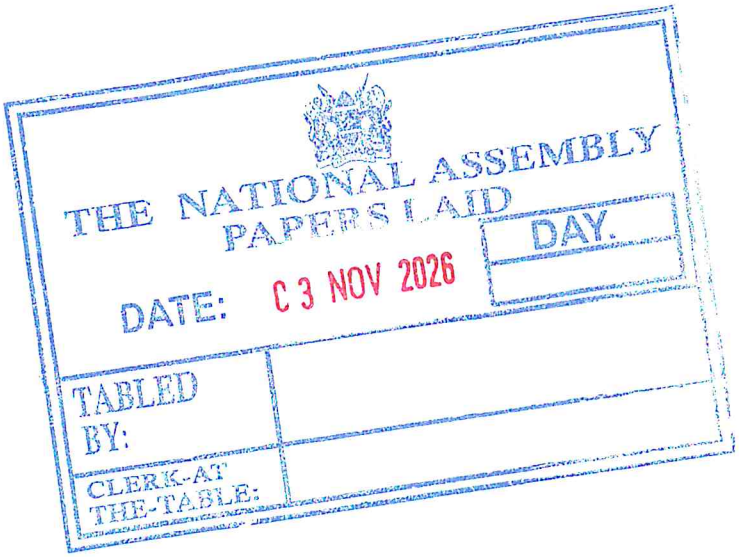
4.0 COMMITTEE RECOMMENDATION

40. Having examined the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*) against the Constitution, the Interpretation and General Provisions Act, *Cap. 2*, the Statutory Instruments Act, *Cap. 2A*, and the Excise Duty Act, *Cap. 472*, the **Committee recommends that the House APPROVES the Excise Duty (Remission of Excise Duty) Regulations, 2026 (*L.N. No. 193 of 2026*), pursuant to section 7(3A)(a) of the Excise Duty Act, *Cap. 472*.**

Signed .....**Date** 2/11/2026

HON. CHEPKONG'A KIPRONO SAMUEL, CBS, M.P.

CHAIRPERSON, COMMITTEE ON DELEGATED LEGISLATION



THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026
DIRECTORATE OF AUDIT, APPROPRIATIONS & GENERAL-PURPOSE COMMITTEES
COMMITTEE ON DELEGATED LEGISLATION

ADOPTION LIST

Date: 13rd November 2025 **Venue:** Comm Room 21, 5th floor, Bunge Tower.
Time Started: 10.25am **Time ended:**
Agenda: Consideration of the Report on the Excise Duty (Remission of Excise Duty) Regulations (Published as Legal Notice No 193 of 2025.

NO.	NAME	SIGNATURE
1.	**The Hon. Chepkong'a Kiprono Samuel, CBS, M.P, Chairperson**	
2.	**The Hon. Githinji, Robert Gichumi, M.P. Vice-Chairperson**	
3.	The Hon. Mbui, Robert, CBS, M.P.	
4.	The Hon. Sunkuli Julius Lekakeny, EGH, EBS, MP	
5.	The Hon. Maj. (Rtd) Abdullahi Bashir Sheikh, M.P.	
6.	The Hon. Mwirigi, John Paul, M.P.	
7.	The Hon. Kamene, Joyce, M.P.	
8.	The Hon. Omondi, Moses Okoth M.P.	
9.	The Hon. Odoyo, Jared Okello, M.P.	
10.	The Hon. Anthony, Oluoch, M.P.	
11.	The Hon. Maj. (Rtd.) Dekow Barrow Mohamed, M.P.	
12.	The Hon. Munyoro, Joseph Kamau, M.P.	
13.	The Hon. (Dr.) Kimaiyo, Gideon Kipkoech, M.P.	
14.	The Hon. Waithaka, John Machua, M.P.	

NO.	NAME	SIGNATURE
15.	The Hon. Chepkorir, Linet, M.P.	
16.	The Hon. Chebor, Paul, M.P.	
17.	The Hon. Lenguris, Pauline, M.P.	
18.	The Hon. (Dr.) Mamwacha Onchoke Charles, M.P.	
19.	The Hon. Yakub, Adow Kuno, M.P.	
20.	The Hon. Mnyazi, Amina Laura, M.P.	
21.	The Hon. Mugabe, Innocent Maino, M.P.	