



THE TAX PROCEDURES ACT (Cap. 469B)

IN EXERCISE of the powers conferred by Section 112 of the Tax Procedures Act, Cap. 469B), the Cabinet Secretary for National Treasury and Economic Planning Makes the following Regulations-

THE TAX PROCEDURES (UNASSEMBLED MOTORCYCLES) (AMENDMENT) REGULATIONS 2024

Citation **1.** These Regulations may be cited as the Tax Procedures (Unassembled Motorcycles) (Amendment) Regulations, 2024.

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112 of
2020 **2.** Regulation 2 of the Tax Procedures (Unassembled Motorcycles) Regulations, 2020 hereinafter referred to as “the principal Regulations” is amended by —

(a) inserting the following new definitions in the proper alphabetical sequence —

“battery system” means rechargeable battery system for use in powering a motor of an electric motorcycle

“electric power system” means a network of electrical components to supply electric power in an electric motorcycle

“electric motorcycle” is a motorcycle that is powered by an electric power system.

“manufacturer” means a person approved by the Cabinet Secretary to produce a motorcycle using parts that are locally designed and developed by an Original Equipment Manufacturer in Kenya and the value of local inputs is more than 50% of the value of the motorcycle excluding profit margin;

(b) deleting the words “in a bonded warehouse facility” appearing at the end of the definition of the term “authorized assembler”

(c) deleting the words “operated by an authorized assembler” appearing in the definition of the term “assembly plant”

- (d) in the definition of the term “engine” by inserting the words “or an electric motor and lithium-ion battery in case of an electric motorcycle” immediately after the word “machine”;

3. The principal Regulation is amended by inserting the word “or manufacturer” immediately after the word “assembler” wherever it appears.

4. The principal Regulation is amended by inserting the word “or manufacturing” immediately after the word assembling” wherever it appears.

5. Regulation 5 of the principal Regulations is amended by inserting “or a contract with an assembly plant licensed by the Commissioner as a bonded warehouse facility” at the end item (b)

6. Regulation 13 of the principal Regulations is amended –

- (a) in sub-regulation (1) by inserting the words “or electric motor and lithium ion battery in case of an electric motorcycle” immediately after the word “engine”.

- (b) by inserting a new paragraph immediately after paragraph (1) as follows:

(1A) Parts or sub-assemblies for an approved manufacturer may be imported duty free as separate parts in their respective tariff numbers, warehoused and removed from the bonded warehouse for use in the assembly of motorcycles.

- (c) in sub-regulation (2) by inserting the following paragraphs immediately after sub paragraph (oo) —

(pp) motor, in case of an electric motorcycle

(qq) controller, in case of an electric motorcycle

(rr) DC to DC converter

7. Regulation 14 of the principal Regulations is amended by deleting paragraph (d) in subsection (2) and substituting therefor with the following paragraph –

- (d) battery except a lithium-ion battery for an electric motorcycle.

8. Regulation 15 of the principal Regulations is repealed.

Dated 2024

JOHN MBADI NG'ONGO
Cabinet Secretary for
The National Treasury and Economic Planning