

LEGAL NOTICE No. 265

THE LOCAL MANUFACTURES (EXPORT COMPENSATION)  
ACT, 1974

IN EXERCISE of the powers conferred by section 12 of the Local Manufactures (Export Compensation) Act, 1974, the Minister for Finance and Economic Planning hereby makes the following Regulations:—

THE LOCAL MANUFACTURES (EXPORT COMPENSATION)  
(PROCEDURES) REGULATIONS, 1974

Citation.

1. These Regulations may be cited as the Local Manufactures (Export Compensation) Regulations, 1974.

Interpretation.  
E.A. Cap. 27.

2. In these Regulations, "proper officer" has the meaning assigned to it under the East African Custom and Transfer Tax Management Act.

Declaration  
of eligible  
goods.

3. (1) Any person or his authorized agent who exports eligible goods and wishes to claim compensatory payment under the Act, shall, at the time of entry of such goods for export, declare on the appropriate customs entry that—

(a) such goods have been wholly produced in Kenya; or

(b) such goods have been produced in Kenya and the value of materials imported from outside Kenya or of undetermined origin which have been used at any stage in the production of the goods does not exceed seventy per cent of the ex-factory value of the goods; and

(c) it is his intention to claim compensatory payment in respect of such goods in accordance with this Act.

(2) Where an exporter delivers an entry under this regulation, he shall furnish therewith to the proper officer, full particulars supported by documentary evidence of the goods referred to in the entry.

Loading  
of eligible  
goods.

4. No eligible goods in respect of which a claim for compensatory payment is to be made shall be loaded on any aircraft, vessel or vehicle departing to a foreign port unless such goods have first been duly entered and have been released by a proper officer.

Applications  
to appointed  
dealers.

5. (1) Applications under section 6 of the Act for compensatory payment shall be in the form set out in the Schedule to these Regulations.

(2) No application shall be accepted unless—

(a) it is completed to the satisfaction of an appointed dealer; and

(b) it is presented with all the relevant documents relating to the exportation of the goods, including a copy of the Export Entry duly certified by the proper officer that he has released the goods, and evidence of the receipt of foreign currency

therefore, within twelve months of the date on which the goods were exported or within such further period after that date as the Commissioner may specifically authorize.

6. The exporter or producer of any eligible goods shall, on request by a proper officer, produce for inspection by such officer the books of account and other documents relating to the purchase, production, sale or exportation of such goods.

Production of records.

7. If any exporter of eligible goods fails to comply with any of the provisions of these Regulations or fails to repay upon demand any compensatory payments made in error or otherwise, the Commissioner shall defer payment until the exporter complies with the Regulations.

Provided that where the Commissioner so defers an application, the exporter shall be informed in writing specifying the regulation or regulations with which he has failed to comply.

8. An appointed dealer shall, within thirty days of receipt of an application by exporter for compensatory payment, forward such application to the Commissioner certifying such amount of foreign exchange as has been received in respect of the relevant shipment of eligible goods. Provided that no appointed dealer shall be required to forward application until he is satisfied that it meets the requirements of the Act and these Regulations.

Forwarding of applications.

9. (1) The Commissioner shall pay to the appointed dealers from revenue collected on behalf of the Government in accordance with section 4 of the Act on receipt of applications forwarded under regulation 8 of these Regulations such amounts of compensatory payments as have been claimed in full compliance with the Act and these Regulations.

Payment to appointed dealers.

(2) Provided that—

(a) payments of any amounts shall not prevent the Commissioner subsequently adjusting or reclaiming that amount in accordance with regulation 7 of these Regulations;

(b) the Commissioner may demand such other supporting information from appointed dealers relating to claims for compensatory payments as he may feel to be necessary.

10. An appointed dealer shall, within seven days of receipt of any compensatory payment from the Commissioner, pay such sums as he may have been authorized to exporters:

Payments to exporters

Provided that, in the event of the Commissioner subsequently reclaiming any amount as authorized in accordance with regulation 9 of these Regulations, an appointed dealer may reclaim such amount from the exporter.

11. Any person who contravenes regulations 4 and 6 of these Regulations shall be guilty of an offence and liable to a fine not exceeding ten thousand shillings.

Offences.

SCHEDULE  
THE LOCAL MANUFACTURES (EXPORT COMPENSATION) (PROCEDURES)  
REGULATIONS, 1974

EXPORTER'S CLAIM FOR COMPENSATORY PAYMENT

(To be submitted to an Authorized Dealer in Triplicate)

In accordance with the Local Manufactures (Export Compensation) Act, 1974.

I/We ..... being an approved Exporter,

Registration No. .... of (Address) .....  
having exported eligible goods wish to claim compensatory payment as set out below.

Quantity	Description of Goods	Place of Export	Export Entry No. and Date	C.D. 3 No. and Date	F.O.B. Value	Foreign Currency Received	Compensatory Payment Claimed

I/We declare that the above particulars are true and correct.

Exporter's Signature .....

Date .....

SCHEDULE—(Contd.)

AUTHORIZED DEALER'S CERTIFICATE

(To be completed by Bank through which the exporter claims)

We .....

certify that Foreign Currency amounting to.....  
has been received from an external source.

Signature..... Date.....

FOR OFFICIAL USE

Compensatory payment approved Sh.....

.....(Sh.....).

Checking Officer.....

Refund Voucher No..... of.....

Authorizing Officer.....

OFFICIAL STAMP

Made this 26th day of September, 1974.

MWAI KIBAKI,  
Minister for Finance and Economic Planning.