

**THE EXPORT PROCESSING ZONES (AMENDMENT)
ACT, 1993**

No. 7 of 1993

Date of Assent: 25th November, 1993

Date of Commencement: 3rd December, 1993

An Act of Parliament to amend the Export Processing Zones Act

ENACTED by the Parliament of Kenya, as follows:—

1. This Act may be cited as the Export Processing Zones (Amendment) Act, 1993. Short title.

2. Section 2 of the Export Processing Zones Act, in this Act referred to as the principal Act, is amended— Amendment of section 2 of Cap. 517.
 - (a) by deleting the definitions of “commercial activity” and “manufacture” and inserting the following—

“commercial activity” means trading in, breaking bulk, grading, repacking or relabelling of the goods that are directly related to the manufacturing activities or establishing the manufacturing activities of an export processing zone enterprise;

“manufacture” includes—

 - (a) the conversion of organic or inorganic material by manual, mechanical, chemical or biochemical means into a new product by changing the size, shape, composition, nature or quality of such material; and
 - (b) assembly of parts into a piece of machinery or other products,

but excludes—

 - (i) the installation of machinery or equipment for the purpose of construction; or
 - (ii) any process that is composed primarily of agricultural, pastoral, horticultural or silvicultural activities;

(b) by inserting the following definitions in their proper alphabetical order—

“export” means to take or cause to be taken out of the customs territory or into an export processing zone;

“import” means to bring or cause to be brought into the customs territory from a foreign country or from an export processing zone;

“service activity” means an export-related service provided by an export processing zone enterprise, including consultancy, information, brokerage and repair services, but excluding financial services and commercial activity.

Amendment of section 3 of Cap. 517.

3. Section 3 of the principal Act is amended—

(a) by deleting subsection (2) (c) and inserting the following—

(c) having and managing its own general fund including borrowing and lending money;

(b) by inserting the following new subsection immediately after subsection (6)—

(7) The Authority shall be exempt from payment of any stamp duty chargeable under the Stamp Duty Act.

Amendment of section 15 of Cap. 517.

4. Section 15 of the principal Act is amended by deleting subsection (1) and inserting the following—

(1) The Minister may, on the recommendation of the Authority, with the object of attracting, promoting or increasing the manufacture of goods, or provision of services, for export, by notice in the Gazette, declare any area in Kenya to be an export processing zone.

Replacement of section 17 of Cap. 517.

5. The principal Act is amended by repealing section 17 and inserting the following new section—

Activities permitted within an export processing zone.

17. (1) The activities eligible to be carried out within an export processing zone shall be manufacturing activities, commercial activities or service activities.

(2) For the purposes of subsection (1), notwithstanding the repeal of the First Schedule the activities specified in that Schedule or additions made thereto by the Minister by notice in the Gazette shall continue to be carried out in the manner specified for each designated export processing zone.

6. The principal Act is amended by repealing section 25 and inserting the following new section—

Replacement of section 25 of Cap. 517

Goods within an export processing zone.

25. (1) Subject to section 17, goods within an export processing zone shall not be taken out of the zone except—

- (a) for export; or
- (b) for export into the customs territory subject to import and customs procedures and payment of import duties; or
- (c) for repair and maintenance with prior approval of the Authority and under supervision of customs and subject to such conditions as may be imposed.

(2) Subject to section 17, services provided by an export processing zone enterprise shall be provided to—

- (a) persons outside Kenya; or
- (b) other export processing zone enterprises in furtherance of the export activities of such enterprises subject to approval of the Authority; or
- (c) persons in the customs territory subject to approval of the Minister.

7. Section 28 of the principal Act is amended by deleting subsection (2) and inserting the following new subsection—

Amendment of section 28 of Cap. 517.

(2) Notwithstanding subsection (1), all financial transactions, including payment of salaries and wages, between export processing zone enterprises and persons resident in Kenya shall be carried out through commercial bank accounts.

8. The principal Act is amended by repealing the First Schedule.

Repeal of the First Schedule to Cap. 517.