



# Guidelines for Returning Residents



## Who is a returning resident?

A returning resident is a KENYAN CITIZEN changing residence from a place outside Kenya to a place within Kenya.

## What are the taxes exempted & what legislation supports the exemption?

Returning residents are exempt from payment of Import Duty, Excise Duty, VAT and IDF.

The following are the legal provisions for the exemption of the said taxes.

Railway development levy– is payable.

## What goods are covered under the exemption regime for returning residents?

- Wearing apparel
- Personal and household of any kind, which were in personal use in the former place of residence.
- One motor vehicle, (excluding buses and minibuses of seating capacity of more than 13 passengers and load carrying vehicles of load carrying capacity exceeding two tonnes) which the passenger has personally owned and used outside a Partner State for at least twelve months (excluding the period of the voyage in the case of shipment)

## For qualification of exemption as a returning resident, the following are the conditions:

- Demonstration of having resided outside Kenya
- Demonstration that the person is returning to Kenya
- In the case of a motor vehicle, evidence of ownership and usage of the motor vehicle for at least twelve months.

**Spouses and children of 18 years and above are exempt from taxes on the said goods provided that they meet all the conditions for returning residents. Such conditions include:**

- That the goods were for personal and household use in the former place of residence.
- The conditions for motor vehicle apply i.e. One motor vehicle, (excluding buses and minibuses of seating capacity of more than 13 passengers and load carrying vehicles of load carrying capacity exceeding two tonnes) which the passenger has personally owned and used outside a Partner State for at least twelve months (excluding the period of the voyage in the case of shipment)

- Evidence of residence outside Kenya e.g. work permits, residence permits
- Evidence of returning to Kenya e.g. passport entry endorsement, completion of contract/work assignment

For spouses who are not Kenyan citizens, they may be accorded tax exemption on first arrival basis provided that they coming to execute an assignment whose contract is not less than two years.

- Evidence of residence outside Kenya
- Interpol clearance for motor vehicles
- Evidence of ownership of the motor vehicle for at least 12 months.

#### **Additional conditions include:**

- The mentioned goods for exemption must be shipped and imported into Kenya within ninety (90) days of the date arrival of the passenger or such further period not exceeding (360) three hundred and sixty days from such arrival as the Commissioner may allow.
- Where any person who has been granted an exemption under returning resident basis changes residence to a place outside Kenya within ninety days from the date of his arrival, he shall export his personal or household effects within thirty days, or such further period not exceeding sixty days from the date he changes his residence to a place outside a Partner State, as the Commissioner may allow, otherwise duty becomes payable from the date of importation.

### **After what period is a returning resident entitled for another exemption say in the case of motor vehicles?**

A person is accorded an exemption on another motor vehicle once every four years and provided that all the duties on the earlier exempted motor vehicle have been paid for. **(Paragraph 5(3)(d) of the Fifth Schedule part B of the East African Community Customs Management Act,2004).**

The following documents will be required when processing the exemptions:

- **Importation documents** – Invoice, bill of lading/airway bill, packing list
- **Passport** – showing the entry and exit stamps





**You are allowed, among other items, one motor vehicle (excluding buses & mini buses) into the country duty free subject to the following conditions:**

- Evidence of ownership and use of the vehicle for at least twelve months before return
- The vehicle must not be more than eight years old from the date of manufacture.
- Evidence of travel (i.e. Passport or an appropriate travel documentation)
- The vehicle must be shipped into the country within ninety days or further period not exceeding 360 days upon approval by the Commissioner, of the return of the individual resident
- The individual must not have enjoyed a similar exemption within last four years
- The household goods and personal effects should have been in personal use by the person in his/her previous residence before return to Kenya.

## Guidelines for Returning Residents from Countries that Operate Left Hand Drive Vehicles

- The person must be bona fide changing residence from a place outside Kenya to a place within Kenya.
- The returning resident must provide proof of ownership and usage of the previously owned left hand drive vehicle for at least twelve months before changing residence
- The returning resident must provide proof of disposal (transfer of ownership) of the previously owned left hand drive vehicle before changing residence from the former country residence.
- The replacement right hand vehicle should have the current retail-selling price (CRSP) not exceeding that of the previously owned Left hand drive vehicle.
- Both the previously owned left hand vehicle and the right hand replacement vehicle must not be any of the following categories:-
  - Bus or minibus of a seating capacity of more than 13 passengers.
  - Load carrying vehicle of load carrying capacity exceeding two tonnes.
  - The replacement vehicle must comply with the KEBS requirements of Legal Notice No.78 of 15th July 2005 and KS1515:2000 Kenya Standard Code of Practice for inspection of Road Vehicles. In particular, the replacement vehicle.
    - Must be less than 8 years old from the year of first registration.
    - Must be right hand drive
    - Will be subject to roadworthiness inspection by KEBS's appointed inspection agent in the country of export.
    - Evidence or proof of travel (Passport or any authorized travel document)
    - The returning resident must provide residency/work permits
    - The replacement motor vehicle must be imported into Kenya within ninety days of return of the person or such further period not exceeding three hundred and sixty days as may be approved by the Commissioner Customs & Border Control.
    - The individual must not have enjoyed a similar exemption within last four years.
    - The individual must have attained the age of eighteen years and above.
    - The country which one is returning from must be operating left hand drive vehicles.
    - Where any person who has been granted exemption changes residence to a place outside Kenya within ninety days from the date of arrival, shall export the motor vehicle within thirty days, or such further period, not exceeding sixty days otherwise tax shall become due and payable from the date of importation.

## The following supporting documents should be attached including but not limited to:

- **Passport** – original
- **Residence Visa/Work Permit** – original
- **PIN Certificate**- obtained through the Kenya Revenue Authority
- **Bill of Lading/Air Waybill**- original
- **Commercial invoice** - for left hand drive motor vehicle replacement
- **Authority letter**- Nominating a licensed customs clearing agent to act on their behalf
- Copy of logbook for the left hand drive motor vehicle (previously owned)
- Sale agreement of the left hand drive motor vehicle

### In case of replacement of left hand drive motor vehicle, the following additional conditions will apply;

- Evidence of disposal of the left hand drive vehicle
- The current retail selling price of the replacement right hand drive vehicle should not exceed that of the previously owned left hand drive vehicle.

- The country which one is returning from must be operating left hand drive vehicles.

### Application for tax exemption

The returning resident is required to engage the services of a Licensed Customs Clearing Agent for the processing of exemption and further release of the goods.



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