PKF

TANZANIA NATIONAL BUDGET BRIEF

Digest of the National Budget and Proposed Tax Reforms

2026/2027

11 June 2026

Takeaways from the National Budget

National Budget for 2026-27:
TShs 62.3 Trillion

National Budget for 2025-26 was:
TShs 56.5 Trillion

National Budget for 2025-26 is likely to reach
TShs 55.9 Trillion

Budgeted for the TRA to collect in 2026-27
TShs 39.1 Trillion

Collections by the TRA in 2025-26 is likely to reach
TShs 35.3 Trillion

National Budget allocation for 2026-27
33% to Development &
66% to Recurrent expenditure

PKF

Synopsis of Tanzania National Budget

On Thursday, 11 June 2026, the Honorable Minister of Finance presented Tanzania's Government budget and Tax reforms for the fiscal year 2026/27. The theme for the budget is *"Building a resilient economy through digital transformation, strategic investment, and sustainable fiscal policies for inclusive economic growth."*

Proposed Budget for 2026/27

The budget for the fiscal year 2026/27 has been set at **TShs 62.33 Trillion,** which is an 10.3% increase compared to 2025/26 budget of TShs 56.5 Trillion.

Budget performance for 2025/26

The current year fiscal budget (2025/26) was set at TShs 56.49 Trillion. However, likely outcome will be TShs 55.93 Trillion by 30 June 2026. This will be a decrease of 0.99%.

Comparison between budgets

Comparing the 2025/26 "likely budget" to the 2026/27 estimated budget, there will be a 11% increase.

Revenue collections by the TRA

For the year 2025/26, the Tanzania Revenue Authority (TRA) were to collect TShs 34.10 Trillion, out of which TRA are expected to likely collect TShs 35.34 Trillion by 30 June 2026. Therefore, likely exceeding the collection target.

From the proposed budget for 2026/27, the TRA have been allocated to collect **TShs 39.1 Trillion.** This is a 11% increase as compared to the likely collection for 2025-26.

Government Budget Revenue Sources

Tax Revenue Collection	Likely collection (2025/26)	Budget (2026/27)	%age Increase
Revenue from TRA			
Import Duty	2,273	2,534	11%
Excise Duty	4,745	5,019	6%
Value Added Tax	9,611	10,037	4%
Income Tax	12,284	13,758	12%
Other Taxes	6,425	7,746	21%
Total Revenue from TRA	**35,338**	**39,094**	**11%**
Collection from other sources	**20,577**	**23,239**	**13%**
Grand Total	**55,914**	**62,334**	**11%**

Amount in TShs 'Billions

TRA have been set with a budget to collect TShs 39.094 Trillion which is an increase of 11% from the current year's likely collections. A significant emphasis is to increase Income Tax, Import Duty and other taxes.

Development and Recurrent expenditures

Expenditure	Likely expenditure (2025/26)	Budget (2026/27)	%age Increase
Recurrent Expenditure	38,560	41,514	8%
Development expenditure	17,354	20,820	20%
Grand Total	**55,914**	**62,334**	**11%**

Amount in TShs 'Billions

The budget allocated to development expenditure is 33.4% of the entire budget. One can note that the development expenditure is increasing more than the recurrent expenditure allocated for the coming year.

Implications for businesses, investors and households on the proposed reforms

Businesses should expect a much stronger digital-audit trail. Firms dealing in transport, retail, education, tourism, real estate, or strategic-crop procurement will face more explicit digital-payment discipline, and those relying on agricultural procurement chains should prepare for new withholding certificates and market-value based documentation.

Investors get a mixed but investable signal: extended VAT deferral on imported capital goods, faster VAT refunds on paper, targeted energy and aviation reliefs, mining-framework recognition, credit-guarantee reform, and the Dar es Salaam International Financial Centre (DIFC) concept are positives; higher compliance intensity and broader quasi-tax charges are the counterweight.

Households may benefit from continued edible-oil relief, fuel/fertiliser cushioning, and social-credit programmes, but they may also face pass-through effects from higher excise and trade-related charges, especially on used vehicles, beauty products and some imported consumer items.

Manufacturers and importers will need a line-by-line customs review. Some sectors gain material input relief, but many finished goods and selected intermediates face higher or continued protective duty treatment. The difference between “input” and “finished product” classification will become commercially decisive.

Exporters of raw or semi-processed materials may face more pressure to retain value locally, especially in paper, minerals and animal-feed inputs. The intended policy is clear: discourage raw outflows where domestic processing is possible.

Proposed Tax Amendments & reforms

We analyze the proposed amendments which may come in to effect from 1 July 2026.

We await for the Finance Act 2026 and further Regulations, to understand and confirm the amendments.

Income Tax Act

Value Added Tax

Tax Administration

Various Amendments including fees and levies

Customs Duties & Industrial and export levies

Excise Duties

PKF

Income Tax Proposals

1. **Deemed dividend rule softened to exclude certain sectors and rate reduced from 30% to 15% –** The Finance Act 2025 introduced a deemed dividend rule, where, in the instance an entity does not distribute dividends within 12 months following the end of its year of income, TRA may be able to treat up to 30% of the entity's after-tax profit as deemed dividends. Now the rate is proposed to change from 30% to 15%.

   Furthermore, we understand that the deemed dividend rule is proposed not apply to small financial sector, insurance, company registered on DSE and Institutions that have Framework Agreements with Government.

2. **Twelve-month income tax holiday for newly registered presumptive taxpayers –** This will be effective from the date of TIN issuance. Lowers early compliance cost and supports micro and small enterprises during the initial stage of their business.

3. **Presumptive tax threshold doubled from TShs 100Million to TShs 200Million –** This assists to match with the VAT registration threshold which is currently TShs 200Million. Together with this proposed change of threshold presumptive taxpayers are given an option to prepare audited accounts at their own discretion.

4. **Presumptive tax rate increased from 3.5% to 4.5% –** presumptive taxpayers with turnover between TShs 11Million to TShs 200Million.

5. **Income tax on payments to foreign digital service providers increases from 2% to 3% –** This indicates that the digital tax net is increasing.

6. **Withholding tax on royalties paid to sports institutions/TFF rises from 5% to 10% –** This aligns sports with film royalty treatment.

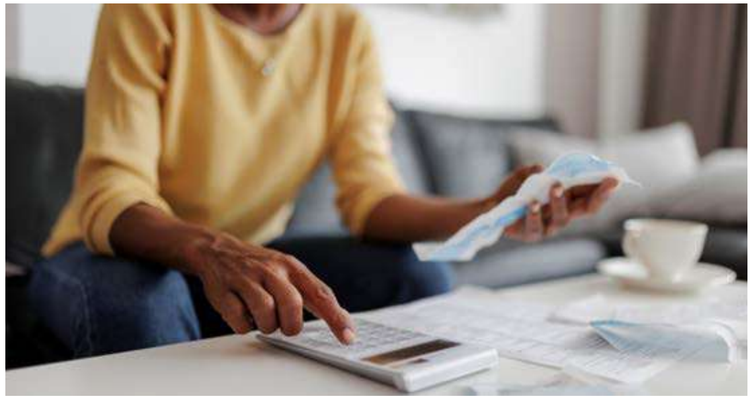
Income Tax Proposals

7. **Introduction of 1% non-final withholding tax on food-crop purchases –** This will be collected at the time of sale or transportation based on prevailing market value. There is an uncertainty on the administration on how the tax credit certificates will be issued and the respective party that will be able to claim the tax credit. We look forward to the Finance Bill 2026 for further clarity on the same. The valuation, timing, and certification will require close administration.

8. **Introduction of 1% withholding tax on payments for live animals, unprocessed milk, unprocessed fish and fish maw –** This widens the tax net to include informal agri-livestock-fisheries chains.

9. **Forest-produce definition widened to include natural varnish, latex, resin, sap and gum, taxed at 2% single instalment tax on gross produce value –** This reduces classification gaps and broadens single-instalment coverage.

10. **Increase number of Government agencies that will be required to withhold 2% tax on payments for domestic purchases of goods –** Ministries, Independent Departments, Institutions, Government Agencies, Regional Secretariats, and LGA's to withhold 2% tax on payments made for the purchase of goods within the country. Currently, 2% withholding tax is for Government agencies whose budgets are wholly or substantially financed through Government budget subventions.



VAT Proposals

1. **VAT refunds must be paid within 30 days –** Proposed that VAT to be refunded within 30 days from the date of application, otherwise interest will accrue. This is one of the most business friendly measures proposed in the speech.

2. **Sunset clause proposed to be removed on VAT deferment for imported capital goods –** The VAT law currently reads that with effect from 1 July 2026, taxpayers would not be able to apply for VAT deferment on imported capital goods. The proposal is to remove this clause. This is an important investment support, especially for capital intensive sectors and is a welcomed proposal for investors.

3. Proposed to be exempted from VAT –

Items	HS Code
Airline boarding passes	N/A
Dairy packing materials (locally produced and imported)	3920.20.90
Imported equipment (electric vehicle charging stations)	8504.40.00
Turbojets, turbo-propellers, and other gas turbines	84.11
Aircrafts tires	4011.30.00
Imported LPG smart meters (only granted to LPG distributors)	9028.10.00
Edible oil produced locally from local seeds (extended for one year)	N/A
Clothes and garments produced using locally grown cotton	N/A
Polyester fibres used in production of the fishing nets	5402.20.00
To recognise tax exemptions agreed in Framework Agreements between the Government and mining investors. Government to as well establish the standard operating procedures to guide granting of these exemptions	

4. Proposed to be repealed from VAT exempt status –

Items	HS Code
Imported fishing nets	5608.11.00
Locally produced and imported dog and cat food	23.09

Tax Administration Act and Tax Revenue Appeals Act Proposals

1. Authority to the Commissioner General to sale perishable goods distrained or seized

Proposed to provide the TRA, permission to sell perishable goods that have been distrained or seized for reasons such as tax violations or failure to pay tax debt by way of auction or private treaty after giving a notice to the taxpayer. This measure is intended to avoid loss of value of such perishable goods due to a lack of adequate storage facilities.

2. Extended timelines for amicable settlement of tax cases

Proposed to extend the current statutory timeline for the out of court settlement of tax disputes between the TRA and the taxpayer from 60 days to 90 days from the date Tax Revenue Appeals Board or Tribunal issue an order permitting out of court settlement discussion. This is likely to lead to a smoother dispute resolution process.

Other Proposed Reforms

1. **Asset Transfers Blocked Without Digital Payment Proof –** Effective 1 July 2026, the Ministry of Lands, TRA, BRELA, and other relevant authorities will require mandatory proof of digital payment as a prerequisite to approve any transfers of assets including land, buildings, or motor vehicles. Cash receipts will no longer be accepted for transfer of such assets.

2. **Investment & Special Economic Zone Act –** Removal of Tax Exemption on road tractors for semitrailers. It is proposed to include the road tractors for semitrailers identified by HS Codes 8701.21.90, 8701.22.90, 8701.23.90, and 8701.24.90 on the list of goods that are not eligible for tax exemption.

3. **Road Traffic Act & Regulations:**
   - It is proposed to allow vehicle or trailer to be used in Mainland Tanzania with registration numbers of Tanzania Zanzibar when all taxes on the vehicle or trailer concerned have been paid in accordance with existing laws and procedures of Mainland Tanzania.
   - Two-wheel motorcycle registration fee rises from TShs 95,000 to TShs 150,000.

4. **The Weight and Measure Agency Act:** Increase of petroleum verification fee – It proposed to increase the petroleum verification fee from TShs 0.15 per liter of petroleum products to TShs 1 per liter of petroleum products.

Other Proposed Reforms (cont…)

5. Stamp duty proposed amendments:

- Definition of Lease to include exchange of moveable property, (hire of moveable assets) broadening the scope of transactions subject to stamp duty.
- Increase in Stamp Duty on Bills of Sale by way of collateral security from 1,000 shillings to 10,000 shillings.
- Increase in Maximum Stamp Duty on Bills of Sale by way of security from 10,000 shillings to 100,000 shillings.
- Increase in Stamp Duty on Cheques the rate is from 100 shillings to 500 shillings per cheque.
- Revised Stamp Duty on Partnership Deeds:
  - Deeds with capital value not exceeding 1,000,000 shilling – 5,000 shillings.
  - Deeds exceeding 1,000,000 shillings – 10,000 shillings.
- Increase in Stamp Duty on Surrender of Lease Documents from 1,000 shillings to 2,000 shillings.
- Imposing stamp duty on bills of exchange of property at the rate of 5,000 shillings.
- Imposing an Ad Valorem rate of 0.5% on the transfer of agricultural land document instead of the current specific rate of 500 shillings.

Custom Processing Fee (CPF) & Import Control Act Proposals

1. **Customs processing fee (CPF) proposed to increase from 0.6% to 1.0%**

2. **Industrial development levy (IDL) exemption for qualifying EAC-origin goods –** introduced to align with EAC rules of origin. Concurrently, reciprocal tariff and levy provisions will be applied against any EAC member state proven to have imposed discriminatory or unfair trade barriers such as unilateral taxes, fees and misc. levies on goods originating from Tanzania.

3. **Introduced following items to Industrial Development Levy (IDL) –**

Items	Item HS Code	Levy Rate
Imported exercise books and notebooks	4820.10.00 4820.20.00	5%
Imported Trailers	8716.31.90 8716.39.90 8716.40.90	5%
Imported fishing nets	5608.11.00	10%
Imported doors, windows, and frames (aluminium)	7610.10.00	5%
Imported steel structure products	7308.90.99	10%
Imported aluminium structures	7610.10.00	5%

Export Tax Proposals

To introduce export tax on the following items:

Items	Item HS Code	Levy Rate
Waste paper	4707.00	30% of the value of the cargo or TShs 200/kg whichever is higher
Quartz Mineral	25.06	10% of the value of the cargo or TShs 200/kg whichever is higher
Feldspar Mineral	2529.10	10% of the value of the cargo or TShs 200/kg whichever is higher
Wheat bran	2302.30.00	TShs 50 per kg
Cotton cake	2306.10.00	TShs 50 per kg
Rice bran	2302.40.00	TShs 50 per kg
Maize ban	2302.10.00	TShs 50 per kg
Sunflower cake	2306.30.00	TShs 50 per kg

Excise Duty Proposals

The Government proposes to change the excise-adjustment approach from a larger step-up every three years to a gradual annual increase, starting with 8% in 2026/27, then in the later years by considering inflation plus 2%. Petroleum products are excluded from this 2026/27 round because of geopolitical price pressure.

The following are the proposed changes to excise duty rates –

Item	Current Rate	Proposed Rate	Scheme
Imported artificial flowers, foliage, artificial fruits and similar imported product classified under HS Heading 67.02	N/A	20%	New
Imported ultraviolent/light emitting diodes (UV/LED) gel nail curing machine used for manicure and pedicure under HS code 8516.79.00.	N/A	10%	New
Beauty products classified under HS Headings 33.03; 33.04; 33.05; and 33.07	10%	15%	Increase
Motorcycles, excluding motorcycles specifically designed for transporting emergency patients (motorcycle ambulances), that uses natural gas and electricity.	N/A	5%	New
Imported plastic or rubber clogs classified under HS Code 6402.99.00	N/A	10%	New
Vehicles classified under HS Code 8703.21.90 with engine capacity (CC) from 1000 and below	N/A	5%	New
Value of bets in gambling activities, including land based or online/internet sports betting, land based or online/internet casino gaming, forty machine slot games and virtual games operations.	N/A	5%	New
Imported used vehicles for vehicles aged up to eight years but not exceeding ten years	15%	20%	Increase
Imported used vehicles for vehicles aged over 10 years but not exceeding twenty years	30%	40%	Increase
Vehicles over twenty years Old	N/A	50%	New

Other introduced amendments include:

- recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors as approved by the Cabinet. This measure aims to accelerate the execution of joint venture mining projects across the country,
- Extend the scope of excise duty to non-resident suppliers rendering excisable services through online platforms directly to end users (B2C) without physical presence in Tanzania.

Custom Duty Proposals

Manufacturing Industry

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Aluminum bars, rods and profiles under HS Heading 76.04.	25%	25% or US$ 550/MT whichever is higher for one year	Stay
Washing powder under HS Codes 3402.49.00; 3402.50.00; and 3402.90.00.	25%	35% or US$ 350/MT whichever is higher for one year	Stay
Welding electrodes under HS Codes 8311.10.00	25%	35% or US$ 250/MT whichever is higher for one year	Stay
Doors, windows and their frames and thresholds for doors, of plastic under HS Codes 3925.20.00	25%	35% for one year	Stay
Ceramic tiles under HS Codes 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00.	35%	35% or US$ 3 per SQM whichever is higher	Stay
Nails, tacks, drawing pins, corrugated nails staples and similar articles of iron or steel, whether or not with heads of other materials under HS Code 7317.00.00	35%	35% or US$ 350 per metric tonne whichever is higher	Stay
Paper under HS Codes 4805.24.00; and 4805.25.00 used to manufacture corrugated boxes	25%	10% for one year	Duty Remission
Paper under HS Codes 4804.19.00; 4804.39.00 and 4804.52.00 used to manufacture corrugated boxes.	10%	0% for one	Duty Remission
Worked monumental or building stone under HS Heading 68.02	25%	35% or US$ 2 per SQM Whicher is higher for one year	Stay

Custom Duty Proposals

Manufacturing Industry (cont…)

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Raw materials under HS codes 3506.91.00 and 3920.10.10 used to manufacture packaging.	10% or 25%	0% for one year	Duty Remission
Raw materials under HS codes 3210.00.99 used by manufacturers of aluminum products.	35%	10% for one year	Duty Remission
Packaging materials for the manufacture of acaricides.	-	0% for one year	Duty Remission
Raw materials under HS codes 3210.00.99 used by manufacturers of aluminum products	35%	10%	Duty Remission
Iron or non-alloy steel under HS code 7217.10.00 and 7217.90.00 used for the manufacture of concrete electric poles	-	10%	Duty Remission
Cash registers and other electronic fiscal device (EFD) machines and point of sale (POS) of HS codes 8470.50.00 and 8470.90.00 imported by the government or authorized persons	10%	0% for one year	Stay
Cocoa powder, not containing added sugar or other sweetening matter under HS code 1805.00.00	0%	10% for one year	Stay
Monofilament of which any cross-sectional dimension exceeds 1mm, rods, sticks and profile shapes whether or not surface worked but not otherwise worked of plastics under HS codes 3916.10.00; 3916.20.00; and 3916.90.00	0%	10% for one year	Stay
Safety matches under HS code 3605.00.00	25%	25% or US$ 1.35/kg whichever is higher for one year	Stay
Mineral waters and aerated waters under HS code 2201.10.00	35%	60% for one year	Stay
Gypsum powder under HS code 2520.20.00	0%	10% for one year	Stay
New pneumatic tyres of rubber, of a kind used on motorcycles under HS code 4011.40.00.	10%	25% for one year	Stay
Baby diapers under HS code 9619.00.90.	25%	35% for one year	Stay
Cotton yarn under HS Headings 52.05; 52.06; and 52.07 except HS Code 5205.23.00.	10%	25% for one year	Stay

Custom Duty Proposals

Manufacturing Industry (cont…)

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Polyester/ nylon twine under HS code 5607.50.00	10%	25% for one year	Stay
Other paper, paperboard, cellulose wadding and webs of cellulose fibres under HS code 4811.90.00	10%	25% for one year	Stay
Float, toughened and multiple-walled insulating units of glass under HS codes 7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00, 7008.00.00	10%	35% for one year	Stay
Unbleached kraft paper and paperboard 106 under HS code 4804.51.00	10%	25% for one year	Stay
Fiberboard of wood or other ligneous materials such as medium density fiberboard (MDF) under HS heading 44.11	25%	35% for one year	Stay
Plywood, veneered panels and similar laminated wood under HS heading 44.12	25%	35% for one year	Stay
Iron and steel products under HS code 7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.00; 7209.27.00; 7209.28.00; 7209.90.00; 7211.23.00; 7211.90.00; 7226.92.00 and 7225.50.00	10%	10% or US$ 125/MT whichever is higher for one year	Stay
Corrugated iron sheets under HS code 7210.30.00 and 7210.41.00	35%	35% or US$ 500/MT whichever is higher for one year	Stay
Flat-rolled products of iron or non-alloy steel under HS codes 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; and 7210.90.00	25% or US$ 200/MT whichever is higher	35% or US$ 350/MT whichever is higher for one year	Stay
Flat-rolled products under HS codes 7212.20.00	10%	10% or US$125/MT whichever is higher for one year	Stay
Yeast under HS Code 2102.10.00	25%	25% or US$ 660 MT whichever is higher	Stay

Custom Duty Proposals

Manufacturing Industry (cont…)

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Flat-rolled products of iron or non-alloy steel under HS codes 7212.30.00	25% or US$ 200/MT whichever is higher	25% or US$ 300/MT whichever is higher for one year	Stay
Flat-rolled products of iron or non-alloy steel under HS codes 7212.40.00 and HS codes	35%	35% or US$ 350/MT whichever is higher for one year	Stay
Hot-rolled bars and rods, of iron or non-alloy steel under HS codes 7213.10.00; 7213.20.00; and 7213.99.00	25% or US$ 200/MT whichever is higher	25% or US$ 250/MT whichever is higher for one year	Stay
Bars and rods of iron or non-alloy steel under HS heading 72.14 for one year	35%	35% or US$ 250/MT whichever is higher	Stay
Flat rods products of iron and steel under HS codes 7225.91.00; 7225.92.00; and 7225.99.00	10%	25% or US$ 300/MT whichever is higher for one year	Stay
Semi-finished flat rolled products under HS code 7226.99.00	10%	10% or US$ 300/MT whichever is higher for one year	Stay
Other tubes, pipes and hollow profiles of iron or non-alloy steel under HS codes 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; and 7306.90.00	25%	25% or US$ 250/MT whichever is higher for one year	Stay
Flat-rolled products of iron or non-alloy steel under HS Code 7212.60.00	10%	10% or US$300/MT whichever is higher for one year	Stay

Custom Duty Proposals

Manufacturing Industry (cont…)

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Refined bleached deodorized (RBD) palm stearin under HS code 1511.90.40 used by domestic manufacturers of soaps	0%	10% for one year	Duty Remission
Organic surface-active agents including LABSA under HS codes 3402.31.00; 3402.39.00; and 3402.49.00	10% or 25%	0% for one year	Duty Remission
Raw material under HS codes 3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10 used to manufacture soap	35% or 10%	0% for one year	Duty Remission
Inputs under HS code 3401.20.10 used to manufacture soap	35%	10% for one year	Duty Remission
Inputs under HS codes 7312.10.00; 7217.20.00; 7408.19.00; 7409.11.00; 7605.21.00; 2710.19.56; 3815.90.00; 5402.19.00; 5903.90.00; 907.00.00; and 2712.10.00 used to manufacture electrical cables	10% or 25%	0% for one year	Duty Remission
Inputs under HS codes 7409.11.00; 7409.19.00; 7410.11.00; 7410.12.00; 7409.21.00; 8001.10.00; and 3810.90.00 used to manufacture radiators	10%, 25% or 35%	0% for one year	Duty Remission
Inputs and raw materials under HS codes 3215.19.00; 3403.99.00; 3506.91.00; 3818.00.00; 3907.99.00; 3916.90.00; 3917.39.00; 919.90.90; 3920.69.90; 3920.99.90; 3921.14.90; 3921.90.90; 5402.11.00;5404.90.00; 7019.90.90; 8536.90.00; and 8544.49.00 used to manufacture optical fiber cables	-	0% for one year	Duty Remission
Inputs such as metalized paper under HS code 4811.90.00 used to manufacture labels, thermal paper rolls for cash registers, POS & EFD Machines.	25%	10% for one year	Duty Remission
Imported cotton grey fabric under HS codes 5208.11.00; 5208.12.00; 5208.13.00; 5208.19.00; 5209.11.00; 5209.12.00; 5209.19.00; 5210.11.00; 5210.19.00; 5211.11.00; 5211.12.00; 5211.19.00; 5212.11.00; and 5212.21.00	25%	35% or 0.30 US$ per meter for one year	Stay
Packaging materials under HS codes 6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90 and 7607.19.90 used by local producers of agricultural seeds.	25%	0% for one year	Duty Remission
Inputs under HS codes 2713.20.00; 5603.14.00; 2710.19.59; and 3920.10.10 used by local manufacturer of waterproofing membranes	10%	0% for one year	Duty Remission
Inputs under HS code 6802.99.00 used by local manufacturer of waterproofing membranes	35%	10% for one year	Duty Remission

Custom Duty Proposals

Food & Beverage Industry

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Cane sugar under HS code 1701.14.90 imported under a permit issued by the Tanzania Sugar Board	100% or US$ 460/MT whichever is higher	35% for one year	Stay
Table salt under HS code 2501.00.90	35%	50% for one year	Stay
Crude vegetable oils of soyabeans, groundnuts, coconuts, mustard and linseed under HS codes 1507.10.00; 1508.10.00; 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00 and 1515.11.00	0%	10% for one year	Stay
Refined vegetable oils under HS Codes 1507.90.00; 1508.90.00; 15.09; 15.10; 1511.90.30; 1511.90.90; 1512.19.00; 1512.29.00; 1513.19.00; 1513.29.00; 1514.19.00; 1514.99.00; 1515.19.00; 1515.29.00; 515.50.00; 1515.60.00 and 1515.90.00	35%	35% or US$ 300/MT whichever is higher	Stay
Imported wheat grain 113 under HS codes 1001.99.10 and 1001.99.90	35%	10 % one year	Duty remission
Materials under HS codes 4819.20.90; and 5407.44.00 used by local manufacturers of tea (blenders)	25%	0% for one year	Duty Remission
Packaging materials under HS codes 7310.21.00; and 6305.10.00 used for packing processed coffee	25%	0% for one year	Duty Remission
Inputs under HS codes 3923.50.90 4819.20.90; 4819.30.00; 4819.50.00; 4821.90.00; and 7607.19.90 used by domestic manufacturers of yoghurt, powdered or UHT milk	25% or 35%	0% for one year	Duty Remission

Transport Industry

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Electric motor vehicles under HS Codes 8702.40.19; 8702.40.22; 8702.40.29; 8702.40.99; 8703.80.90 and 8704.60.90.	25%	10%	Stay
Buses for transportation of more than 25 persons under HS codes 8702.10.99; 8702.20.99 and 8702.90.99	25%	0% for one year	Stay
CKD for three-wheelers motorcycle excluding chassis and its components under HS code 8704.21.90	25%	10% for one year	Duty Remission
Lithiumion electric accumulators under HS code 8507.60.00 used in the assembling or manufacturing of electric vehicle and Motorcycles	25%	0% for one year	Duty Remission
Lubricants under HS Code 2710.19.51	25%	25% or US$0.46 per litre whichever is higher	Stay

Custom Duty Proposals

Agriculture Industry

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Crude palm oil (CPO) under HS Codes 1511.10.00	0%	10% for one year	Stay
Calcium carbonate under HS Codes 2836.50.00	0%	10% for one year	Stay
Horticultural products under HS Codes 0604.20.00; 0604.90.00; 0808.10.00; and 0808.30.00	25%	35% for one year	Stay

Others

Item	Current/ EAC CET Rate	Proposed Rate	Scheme
Items of clothing, footwear and articles under HS code 6309.00.10; 6309.00.20 and 6309.00.90	35% or USD 0.40/Kg whichever is higher	35% for one year	Stay
Smart cards under HS code 8523.52.00 imported by the national identification authority	25%	0% for one year	Stay
Imported vitenge under HS codes 5208.51.10; 5208.52.10; 5209.51.10; 5210.51.10; 5211.51.10; 5212.15.10; 5212.25.10; 5513.41.10; and 5514.41.10	50%	35% for one year	Stay
Photocopying and printing paper under HS Code 4802.56.00	25%	25% or US$ 200/MT whichever is higher	Stay
Photocopying and printing paper under HS Code 4802.57.00	10%	10% or US$ 80/MT whichever is higher	Stay

Other Introduced amendments include:

- Grant duty remission and stay of application on raw materials, accessories and machineries used to manufacture textiles and leather products.
- The EAC Partner States agreed to amend Paragraph 1 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to include specified paper designated exclusively for printing passenger boarding passes into the scope of import duty exemption provided to aircraft operations.
- The Partner States agreed to amend Paragraph 20 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to recognize all disaster management responsible authorities within the EAC Partner States.
- The EAC Partner States agreed to establish the East African Community Assembling and Manufacturing of Products Regulations, 2025, which were scheduled to come into force from 1st July 2026 and the Partner States agreed to defer the implementation date of the Regulations to 1st July 2027.

Do you have any questions or thoughts? Our team looks forward to hear from you.

Channels PKF in Eastern Africa

@pkftanzania

www www.pkfea.com

@PKF Tanzania

Our Contacts:

Dar es salaam

PKF Advisory Limited
Girl Guides Building, 1st Floor Tower B,
Kibasila Street, Upanga
P.O.Box 7323 – 11102,
Dar es Salaam, Tanzania.

Arusha

PAPU Tower, 9th Floor
Plot Number 114, Block Z
Along Namanga – Moshi Road
Arusha, Tanzania

Tel:+255222152501/3/4
Email: pkftz@pkfea.co.tz

PKF

For more publications and to subscribe to our newsletter, click or scan the QR code

Disclaimer:

This alert is written in general terms for guidance only and is not a substitute for professional advice. Whilst every care has been exercised in ensuring the accuracy of the information contained herein in, we will not accept any responsibility for errors or omissions or for any action taken or refraining from action without appropriate professional advice. This alert is for exclusive use by clients of PKF Advisory Limited and its associates and no part of it may be reproduced without our prior written consent.

PKF Advisory Limited is a member of PKF Global, the network of member firms of PKF international Limited, each of which is a separate and independent legal entity and does not accept any responsibility our reliability for the actions or inactions of any individual member or correspondent firm(s).