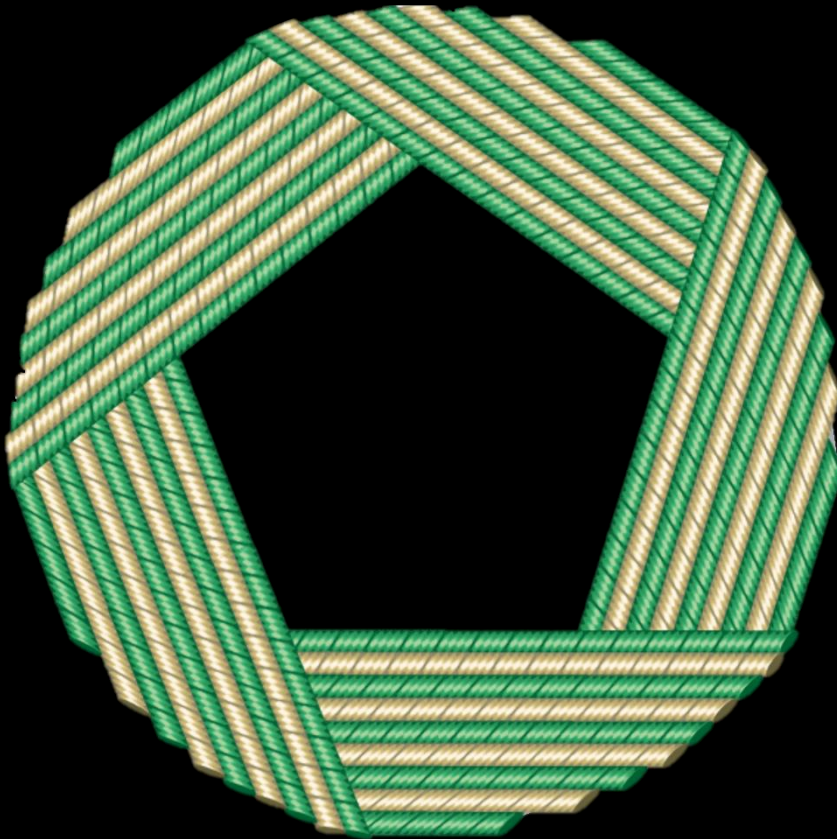


Tax & Legal Alert
August 2025



Tax Alert

Submission of Duty Remission Quarterly Returns

On 01 August 2025, the Tanzania Revenue Authority (“TRA”) released a Public Notice (“the Notice”) requiring manufacturers of goods under the East African Community (“EAC”) Duty Remission Scheme to submit quarterly returns to the Commissioner of Customs and Excise (“Commissioner”).

The requirement was made pursuant to Regulation 7(1)(a) and 2(b) of the East African Community Customs Management (Duty Remission) Regulations, 2008 (“Duty Remission Regulations”). We have summarized the requirements contained in the Public Notice and the Duty remission Regulations and analysed the impact of these requirements on affected importers.

Introduction

Section 140 of the East African Community Customs Management Act (“EAC CMA”), read in conjunction with Regulation 3 of the Duty Remission Regulations, empowers the EAC Council of Ministers to authorise duty remission on inputs and raw materials imported into a Partner State for the manufacture of goods intended for export or for home consumption.

Further, Section 140(3) of the EAC CMA stipulates that the manufacturer and the approved quantity of goods granted remission must be published by the Council in the EAC Gazette. The Council publishes a list of approved manufactures and quantity of goods in the EAC Gazettes on a quarterly basis.

Validity period

Remission of duty granted under Duty Remission Regulations is valid for twelve months from the date of its publication in the Gazette. However, the Council may, upon application by a manufacturer, grant remission for additional quantities of goods to be imported under these Regulations. Furthermore, the Council may, on application by a manufacturer, extend the initial twelve-month period by a further six months.

Conditions of duty remission

The Duty Remission Regulations require manufacturers of goods for export to pay duty on imported goods not used to manufacture goods for export or where the manufactured goods are not exported. Additionally, manufacturers of goods for home use must pay duty on imported goods not used for manufacture of the approved goods.

“Duty Remission quarterly returns must be submitted on or before 30th day of the month after the end of the relevant quarter. As such, duty remission quarterly returns for the first quarter (2025/2026) shall be submitted on or before 30th October 2025”

Where a manufacturer is liable to pay duty, the manufacturer shall, in addition to paying the applicable duty, be liable to pay a penalty of ten percent of the dutiable value.

Requirement to file quarterly returns

Regulation 7(1)(a) and 2(b) of the Duty Remission Regulations requires manufacturers of goods for export and for home consumption to submit quarterly returns to the Commissioner for Customs and Excise giving relevant information as the Commissioner may require. The law requires manufacturers to submit the returns on or before the 30th day of the month after the end of the relevant quarter. In practice the relevant quarter is determined based on the date the Legal Notice (“EAC Gazette”) is published i.e., for a publication issued in July, the relevant quarter will be for periods ending 30th October, 30th January, 30th April and 30th July.

The TRA Customs and Excise Department has through the Public Notice alerted manufacturers who import goods under the EAC Duty Remission Scheme to submit quarterly returns to the Commissioner for Customs and Excise (“the Commissioner”) giving relevant information as the Commissioner may require.



Information required by the Commissioner.

- General information - Name of the manufacturer (Taxpayer Identification Number (TIN), Tax Office, Nature of business, financial year, and period covered by return);
- Particulars of the imported raw materials/ inputs;
- Utilization of raw materials/ inputs; and
- Finished products manufactured and sold during the period and in every quarter.

Penalties

According to the Duty Remission Regulations, a person who fails to submit returns as required by the Regulations commits an offence and shall be liable on conviction to a fine of two thousand dollars. This penalty extends to late submission and non filling of the returns as the two circumstances amount to failure to file returns as required by the Regulations.

Our Comments

The EAC Council of Ministers approves specific quantities of inputs to be imported under duty remission. The Duty Remission Regulations require that the inputs must be used for manufacture of approved goods for export or home use. The duty remission returns are used to account for utilization of inputs imported under duty remission. Manufacturers must satisfy the Commissioner through the return that the imported inputs were used to manufacture the approved finished goods based on the approved input/output ratios. Further, import taxes are applicable on inputs that cannot be accounted for plus a penalty of 10% of the dutiable value.

The duty remission quarterly return is therefore a compliance requirement designed to monitor utilization of goods imported under duty remission ensuring that the goods are utilized for the intended purpose. Failure to submit the return constitutes an offence under the Regulations and incurs a penalty of two thousand dollars.

It is worth noting that whereas the Public Notice was issued by the TRA on 1 August 2025, the requirement to file quarterly returns is not a new requirement. The requirement was introduced by the Duty Remission Regulations since its inception in 2008, therefore strictly speaking all manufacturers of goods under the EAC Duty Remission Scheme must submit returns for every quarter from when they started importing goods under duty remission.

We encourage beneficiaries to take the necessary steps to comply with the regulations including filing the returns in timely manner to ensure alignment with the purpose of the duty remission.

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